

***United States Court of Appeals
for the Second Circuit***



APPENDIX

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75-7010
74-2657
74-2614

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

B

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff-Appellant-Appellee

against

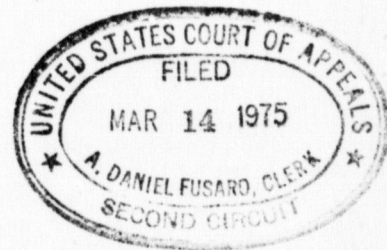
GEON INDUSTRIES, INC., et al.,

GEON INDUSTRIES, INC. and GEORGE O. NEUWITH,

Defendants-Appellants

FRANK BLOOM and EDWARDS & HANLY,

Defendant-Appellees



On Appeal from the United States District
Court for the Southern District of New York

APPENDIX OF APPELLANT SECURITIES AND EXCHANGE COMMISSION

VOLUME I

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PAGINATION AS IN ORIGINAL COPY

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INDEX TO PLAINTIFF-APPELLANT'S APPENDIX

Volume I

<u>Item</u>	<u>Page</u>
Relevant Docket Entries	1a
Complaint for a Preliminary and Permanent Injunction and Other Relief	5a
Answer of Defendant Edwards & Hanly	19a
Answer of Defendant George O. Neuwirth	23a
Answer of Defendant Frank Bloom	33a
Answer of Defendant Geon Industries, Inc.	42a
Opinion of the District Court	52a
Judgment of the District Court	72a
Exhibits at Trial:	
Securities and Exchange Commission	
Exhibit 1 - Public announcement of December 3, 1973, by Geon Industries, Inc. announcing its pre- liminary merger negotiations	75a
Exhibit 2 - Public announcement of December 18, 1973, by Geon Industries, Inc. announcing its continued merger negotiations	76a
Exhibit 3 - Public announcement of December 20, 1973 by Geon Industries, Inc. that an agree- ment in principle for its acquisition had been reached with Burmah Oil, Inc.	77a
Exhibit 4 - Worksheet for Geon Inter- continental Corp. reflecting the Intra Company Profit Elimination	78a
Exhibit 5 - Revised Inter and Intra Company Profit Elimination for Geon Inter- continental Corp.	79a

Exhibit 7 - Worksheet reflecting consolidated earnings for the year ended 12-31-73	80a
Exhibit 8 - Pro-forma balance sheet and income statements for Geon Industries, Inc. for the year ended 12-31-73	81a
Exhibit 9 - Notice of a special meeting of Geon's Board of Directors for February 21, 1974, and copies of paragraphs 7.2.5 and 7.2.6 of the acquisition contract to be considered by the Board of Directors	83a
Exhibit 10 - Public announcement of February 25, 1974, by Geon Industries, Inc. that its 1973 earnings would be appreciably below that on which its merger was negotiated	87a
Exhibit 13 - Memorandum of August 13, 1973, from Frank Bloom	89a
Exhibit 14 - Public announcement of November 9, 1973, by Geon Industries, Inc. reporting its earnings for the first nine months of 1973 accompanied by Geon's report to its shareholders	90a
Exhibit 15 - Excerpt of testimony given by defendant James McMahon under oath on March 5, 1974	95a
Exhibit 16 - Three excerpts from testimony given by Marvin Rauch under oath on March 5, 1974	101a
Exhibit 17 - Summary of purchases and sales of Geon's common stock at the Hewlett, New York, Branch Office of Edwards & Hanly between 10-18-73 and 2-22-74	109a
Exhibit 18 - Edwards & Hanly new account card completed in the name of "James McMahon"	117a
Exhibit 19 - Edwards & Hanly new account card, completed in the name of "Lewis Maione"	119a

Exhibit 20 - Edwards & Hanly customer agreement
executed by "Lewis Maione" 121a

Exhibit 21 - Check dated November 16, 1973, payable
to the order of Edwards & Hanly in the amount
of \$2,571.00 by James McMahon 123a

Edwards & Hanly

Exhibit A - Edwards & Hanly customer agreement
executed by James McMahon 124a

Exhibit F - Report dated November 1, 1973, from
the Research Department of Edwards & Hanly
on Geon Industries, Inc. 126a

Exhibit G - Summary of high and low prices of
Geon's common stock for the weeks ending
9-7-73 through 2-22-74 142a

Exhibit H - Notice to the New York Stock Exchange,
Inc. from Edwards & Hanly 143a

Exhibit I - Notice of discontinuance of registered
employee 146a

Exhibit J - Edwards & Hanly account records
reflecting cancellations of transactions
in Geon's common stock on 2-22-74 148a

Exhibit K - Edwards & Hanly business records 158a

Geon Industries, Inc.

Exhibit A - Ultra Imported Car Parts brochure 161a

Exhibit B - Memorandum and Affidavit from
Randy Gromet 165a

Exhibit C - Minutes of the Special Meeting of
Geon's Board of Directors 169a

Exhibit D - Public announcement of December 18, 1973,
by Geon Industries, Inc. [same as Securities
and Exchange Commission Exhibit 2] 172a

Volume IITranscript Pages 1-218A

<u>Witness</u>	<u>Direct</u>	<u>Cross</u>	<u>Redirect</u>
Frank Bloom	16	142	170
George Neuwirth	175		

Volume IIITranscript Pages 219-447

George Neuwirth (continued)	219	306	316
Roy Alpert	318	337	344
James McMahon	354		
Marvin Rauch	360		
Randy B. Gromet	363	396	426
Arthur Lee	429	436	

Volume IVTranscript Pages 448-693

Davis Scott Foster, Jr.	448	458	
David Shukovsky	467	480	
Robert Barbanell	490	506	
John A. Friedman	521	547	568
Martin Rosenfeld	580		

Volume VTranscript Pages 694-877b

Martin Rosenfeld (continued)		696	724
David Lynn	729	758	761
Louis Maione	762	771	

Raleigh Gilbert	774	
Bert G. Edwards	784	800
Ivar. Boesky	813	
Lewis Korman	845	

Exhibit Index for Volumes II-V

<u>SEC</u>	<u>Identification</u>	<u>Admitted</u>
1	46	47
2	59	60
3	68	68
4	100	101
5	103	105
6	105	108
7	109	109
8	111	111
9	114	113
10	142	142
11	178	179
12	112	
13	193	193
14	238	238
15	358	
16, 16A	362	
17	578	579
18	620	621

19	620	621
20	637	638
21	675	676
22	768	
23	804	
24	804	
25	804	
26	804	
<u>Defendant</u> <u>Geon</u>	<u>Identification</u>	<u>In</u> <u>Evidence</u>
A	313	314
B	411	427
C	516	518
D	847	848
<u>Defendant</u> <u>Edwards & Hanly</u>		
A	637	638
A*	698	
B	698	
C	698	
D	698	
F	707	708
G	717	718
H	720	721
I	720	721
J	792	792
K	795	796
L	798	

*Two exhibits were marked for identification as Edwards & Hanly exhibit A. (638, 698) No exhibit was marked as Edwards & Hanly exhibit E.

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CIVIL DOCKET
UNITED STATES DISTRICT COURT

Jury demand date:

JUDGE

1a

12-20-74
74 CIV. 1496

U. S. Form No. 106 Rev.

TITLE OF CASE

ATTORNEYS

SECURITIES & EXCHANGE COMMISSION,

For plaintiff:

William D. Moran
26 Fed. Plaza, NYC-10007-264-1636

against-

GEON INDUSTRIES, INC. *10-31-74*
GEORGE O. NEUWIRTH *10-31-74*
FRANK BLOOM *10-31-74*
JAMES McMAHON *7-1-74*
EDWARDS & HANLY *7-1-74*
MARVIN RAUCH *7-1-74*
ROY ALPERT *7-1-74*
IRVING ALPERT *7-1-74*

For defendant:

Kaye, Scholer, Fierman, Hays & Handler
425 Park Ave. NYC 10022 PL 9-0400
for Geon Industries, Inc. Geo. Neuwirth
and Frank Bloom
Delson & Cordon
230 Park Ave, NYC 10017 Mu-6-8030
for Edwards and Hanly

STATISTICAL RECORD

COSTS

DATE

NAME OR
RECEIPT NO.

REC.

FILED

J.S. 5 mailed X

Clerk

J.S. 6 mailed ✓

Marshal

Basis of Action: S.E.C-33 Act-
34 Acts

Docket fee

Witness fees

Action arose at:

Depositions

A

11-11-74
17

74 Civ. 14

DATE	PROCEEDINGS	Date Judgm.
Apr. 2-74	Filed complaint and issued summons.	
Apr. 2-74	Filed stip. & order that time of deft's Roy & Irving Alpert to answer, complaint is set. to 5-28-74. So ordered. Counsel J.	
Apr. 26/74	Filed ANSWER of deft Edwards & Hanly to the complaint.	D&G
Apr. 26/74	Filed deft Edwards & Hanly's first set of interrogs. to plttf.	
Apr. 26/74	Filed ANSWER of deft G. Neuwirth to the complaint.	KSF
Apr. 26/74	Filed ANSWER of deft Frank Bloon to the complaint.	KSF
Apr. 26/74	Filed ANSWER of deft Geon Industries, Inc. to the complaint.	KS
May 17-74	Filed plttf's notice of motion for preliminary injunction ret., 5-28-74.	
May 17-74	Filed affidavit of Michael E. Perlis in support of motion for, preliminary injunction.	
May 17-74	Filed plttf's memorandum of law in support of his motion ret. 5-28-74.	
May 29-74	Filed summons with marshals return:	Served:
	Geon Industries by H. Pisciotto	on 4-8-74.
	George O. Neuwirth by J. Friedman	on 4-8-74.
	Frank Bloon by J. Friedman	on 4-8-74.
	James G. Holloman by his wife	on 4-5-74.
	Edwards & Hanly by T. Marcell	on 4-8-74.
	Harvin Rauch by his wife.	on 5-1-74.
	Roy Alpert by E. Perrot	on 4-8-74.
	Irving Alpert by his Wife	on 4-8-74.
Jun. 10-74	Filed deft's memorandum of law in opposition to plttf's motion, for preliminary injunction.	
Jun. 12-74	Filed plttf's answer to deft. Edwards & Hanly's first set of interrogs.	
Jun. 14-74	Filed deft's Edwards & Hanly memorandum of law in opposition to, plttf's motion for preliminary injunction.	
Jun. 17-74	Before Counsel J. Non-Jury trial begun: Preliminary injunction.	
Jun. 18-74	Trial continued.	
Jun. 19-74	" "	
Jun. 20-74	" "	
Jun. 21-74	" "	
Jun. 24-74	" " & concluded. Decision Reserved.	
Jun. 24-74	Filed affidavit of service by W.K. Walsh of civil subpoena upon, Irvn Boesky, R.L. Corbancell & Robert Kohnes on 6-6-74.	
Jun. 24-74	Filed affidavit of service by Peter Gublay of civil subpoena upon, J. Friedman, J.G. Connolly & L. Korman on 6-6-74.	
Jun. 20-74	Filed affidavit of service by W.K. Walsh of civil subpoena upon, Ray Aronson on 6-13-74.	
Jun. 20-74	Filed affidavit of service by P.M. di Mauro of civil subpoena upon, Liscione to his wife on 6-6-74.	
Jun. 20-74	Filed affidavit of service by M.E. Perlis of civil subpoena upon, B. Bruckstein on 6-13-74.	
Jul. 1-74	Filed Consent Judgment of permanent injunction: Ordered that, JAMES HOLLIMAN, his agents, servants, employees are permanently, enjoined in connection with the offer, purchase or sale of securities issued or to be issued by deft. Geon Industries, etc. Counsel J. Judgment Ent. Clerk. n/a Ent. 7-8-74.	
Jul. 1-74	Filed final consent Judgment of Permanent Injunction: Ordered that, deft's ROY ALPERT & IRVING ALPERT, THEIR AGENTS, servants, employees are permanently enjoined from directly or indirectly in connection, with the offer, purchase or sale of securities issued by deft. Geon Industries, etc. Counsel J. Judgment Ent. Clerk. n/a Ent. 7-8-74.	
Jun. 20-74	Filed affidavit of service by A.R. Camerata of civil subpoena with, attachment on parties as indicated on 6-17-74.	

74 Civ 1496 Securities & Exchange Comm. vs Geon Industries,
Page (2)

DATE	FILING - PROCEEDINGS	AMOUNT RECEIVED IN COURT RETURNED
6/27/74	Filed transcript of record of proceedings, dated 6/17-18-19-20-21/74	
Jul. 19/74	Filed plfff.'s post trial memorandum.	
Jul. 25/74	Filed deft. Edwards & Hanley's post trial memo. of law.	
Jul. 26/74	Filed post trial memorandum of defts. Geon Industries, Inc., Geo. O. Neuwirth and Frank Bloom.	
Jul 30-74	Filed Judgment of Permanent Injunction. Ordered that deft Marvin Rauch, agents, etc. are hereby enjoined in connection with offer, purchase or sale of securities, etc. Nothing in Final Judgment of Permanent Injunction shall preclude Court from disposing of any other issues in this proceeding. Bonsal, J. (mn)	
Aug. 5/74	Filed plfff.'s post trial reply memorandum.	
Aug. 27-74	Filed transcript of record of proceedings, dated 6/17-18-19-20-21/74	
Sep. 23-74	Filed OPINION #41201: The only deft's remaining in this action, are Neuwirth, Bloom Geon & Edwards. Each of the deft's will, be considered separately whom the SEC seeks an injunction. SEC is entitled to entry of a preliminary & permanent, injunction against deft. Neuwirth. Deft. Bloom is entitled, to judgment dismissing the complaint. The SEC is entitled, to entry of judgment granting a preliminary & final injunction, against deft. Geon. Edwards is entitled to judgment dismissing, the complaint. The foregoing constitutes the courts findings, of fact & conclusions of law. Settle Judgment on notice.. Bonsal, J. m/n	
Sep. 26-74	Filed affidavit of I. Alpert of acknowledgment of consent judg. of permanent injunction entered against him.	
Sep. 26-74	Filed affidavit of Roy Alpert of acknowledgment of consent judg. of permanent injunction entered against him.	
Sep. 26-74	Filed affidavit of Marvin Rauch of acknowledgment of consent judg. of permanent injunction entered against him.	
Oct. 21-74	Filed deft's Geon & Neuwirth memorandum in support of judgment by plfff.	
Oct. 21-74	Filed JUDGMENT: Ordered that deft's Geon Industries, Inc. George O. Neuwirth, their officers agents, etc. are hereby preliminarily & permanently enjoined from future violation of section 10(b) of the SEC Act of 1934, etc. The complaint is dismissed against deft's Frank Bloom & Edwards & Hanly. Bonsal, J. Judgment Ent. Clerk. m/n Ent. 10-22-74.	
Oct. 21-74	Filed affidavit by James McMahon of acknowledgment of judgment.	

CIVIL DOCKET

Page #3

DATE	FILINGS—PROCEEDINGS
Dec. 6-74	Filed def't's (Geon Industries) notice of appeal to the USCA from final judgment entered. on 10-21-74. Mailed copies W.D. Moran, A. Borden, M.H. Berger, B. Zelermeyer & M.R. Gleit.
Dec. 6-74	Filed def't. (Geo. O. Neuwirth) notice of appeal to the USCA from final judgment entered on the 21st day of Oct. 1974. Mailed copies to W.D. Moran, A. Borden, M.H. Berger, B. Zelermeyer & M.R. Gleit.
Dec. 20-74	Filed pl'tff's notice of appeal to the USCA from judgment ent. 10-21-74. Mailed copies to J.D. Strum, A. Borden, M.H. Berger B. Zelermeyer & M.R. Gleit.

A TRUE COPY

Clerk

By

Clerk

D

UNITED STATES DISTRICT COURT
FOR THE
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

GEON INDUSTRIES, INC.
GEORGE O. NEUWIRTH
FRANK BLOOM
JAMES McMAHON
EDWARDS & HANLY
MARVIN RAUCH
ROY ALPERT
IRVING ALPERT,

Defendants.

74 Civ. 1496
(DBB)
COMPLAINT FOR A PRELIMINARY
AND PERMANENT INJUNCTION
AND OTHER RELIEF

filed @ 12:50 pm
4/2/74

The plaintiff, SECURITIES AND EXCHANGE COMMISSION ("COMMISSION"), based on information and belief, alleges that:

1. Defendants GEON INDUSTRIES, INC. ("GEON"), GEORGE O. NEUWIRTH ("NEUWIRTH"), FRANK BLOOM ("BLOOM"), JAMES McMAHON ("McMAHON"), EDWARDS & HANLY, MARVIN RAUCH ("RAUCH"), ROY ALPERT ("R. ALPERT"), and IRVING ALPERT ("I. ALPERT") have engaged, are now engaged and are about to engage in acts and practices which constitute and will constitute violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. 77q(a), and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. 78j(b) and Rule 10b-5, 17 CFR 240.10b-5, promulgated thereunder.

2. Defendants RAUCH and McMAHON have engaged, are now engaged and are about to engage in acts and practices in violation of Sections 7(c) and 7(f) of the Exchange Act, 15 U.S.C. 78g(c) and 78g(f), and Regulation T, 12 CFR 220, and Regulation X, 12 CFR 224, promulgated thereunder.

3. Pursuant to the authority granted to it by Sections 10(b) and 23(a) of the Exchange Act, 15 U.S.C. 78j(b) and 15 U.S.C. 78w(a), respectively, the Commission has promulgated Rule 10b-5. The Federal Reserve Board, pursuant to Section 7, 15 U.S.C. 78g, and Section 23(a), 15 U.S.C. 78w(a) of the Exchange Act, has promulgated Regulations T and X. All of said rules and regulations were in effect at all times mentioned herein and are now in effect.

- 2 -

JURISDICTION AND VENUE

4. The Commission brings this action pursuant to Section 20(b) of the Securities Act, 15 U.S.C. 77t(b), and Section 21(e) of the Exchange Act, 15 U.S.C. 78u(e), to enjoin such acts and practices.

5. This Court has jurisdiction of this action pursuant to Section 22(a) of the Securities Act, 15 U.S.C. 77v(a), and Section 27 of the Exchange Act, 15 U.S.C. 78aa.

6. Certain of the acts, practices, courses of business and transactions described herein constituting violations of the Securities Act and the Exchange Act have occurred within the Southern District of New York. Such activities were effected by making use of the means and instrumentalities of interstate transportation and commerce and of the mails and the facilities of a national securities exchange.

THE DEFENDANTS

7. GEON INDUSTRIES INCORPORATED ("GEON") is a New York corporation with its headquarters located at 80 Crossways Park Drive, Woodbury, New York. GEON, through its subsidiaries and affiliates, is engaged primarily in the business of distributing automobile repair and replacement parts for imported cars and trucks. GEON has approximately 2 million shares of common stock outstanding. Its common stock is listed for trading on the American Stock Exchange ("AMEX"), and its securities are registered pursuant to Section 12(b) of the Exchange Act, 15 U.S.C. 78**X**(b).

8. GEORGE O. NEUWIRTH ("NEUWIRTH"), GEON's founder, is GEON's chief executive officer, chairman of the board and owner of approximately 145,000 shares of GEON. NEUWIRTH and members of his family own approximately 29% of GEON's common stock, which NEUWIRTH votes pursuant to a voting trust. NEUWIRTH resides at 3 Hawthorne Lane, Great Neck, New York.

9. FRANK BLOOM, ("BLOOM") is GEON's secretary-treasurer and financial vice-president. Bloom resides at 38 Glenndale Drive, Oyster Bay Cove, New York.

- 3 -

10. JAMES GAVIN McMAHON ("McMAHON") resides at 23 Wood's Lane, Southhampton, New York. At all times mentioned herein, McMAHON, an accountant, was the comptroller of a wholly owned GEON subsidiary, GEON Intercontinental Incorporated ("Intercontinental"). He had the overall responsibility for the accounting department at Intercontinental.

11. EDWARDS & HANLY is a broker-dealer in securities registered with the plaintiff COMMISSION pursuant to Section 15(b)(1) of the Exchange Act with its principal offices located at Hempstead, New York. It is a member of the AMEX and has offices located primarily in the New York metropolitan area, including one at Hewlett, Long Island, New York.

12. MARVIN RAUCH ("RAUCH") was at all times mentioned herein a registered representative employed in the Hewlett office of defendant EDWARDS & HANLY. RAUCH, employed by EDWARDS & HANLY since August 1973, resides at 1609 Channel Road, Hewlett Harbor, New York.

13. ROY ALPERT ("R. ALPERT") is a partner with his brothers in the Long Island real estate firm known as ERICO Associates. R. ALPERT has been a close friend of defendant NEUWIRTH for 18 years and meets socially with him weekly. R. ALPERT presently resides at 343 Chicken Valley Road, Glenhead, Long Island, New York.

14. IRVING ALPERT ("I. ALPERT"), the brother of R. ALPERT, and a partner in ERICO Associates, resides at 20 Canterbury Road, Great Neck, New York.

COUNT I

SECTION 10(b) OF THE EXCHANGE ACT,
15 U.S.C. 78j(b), AND RULE 10b-5,
17 CFR 240.10b-5, THEREUNDER

15. The allegations in paragraphs 1 through 14 of this complaint are realleged and incorporated herein by this reference.

16. Commencing in or about September 1973 and continuing to the date hereof, in the Southern District of New York, and elsewhere, defendants GEON, NEUWIRTH, BLOOM, McMAHON, EDWARDS & HANLY, RAUCH, R. ALPERT and I. ALPERT and other persons, singly and in concert, directly and indirectly,

- 4 -

and aiding and abetting each other, in connection with the purchase and sale of securities by the use of the mails and the means and instrumentalities of interstate commerce and the facilities of a national securities exchange have been and are now (1) employing schemes, devices and artifices to defraud, (2) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, and (3) engaging in acts, practices and a course of business which have operated and would operate as a fraud and deceit upon purchasers and sellers of securities in violation of Section 10(b) of the Exchange Act, 15 U.S.C. 78j(b), and Rule 10b-5, 17 CFR 240.10b-5 thereunder, as more fully alleged in paragraphs 17 through 36.

17. In approximately September or October 1973, defendant GEON began discussions with Burmah Oil Company ("Burmah") relative to the acquisition of GEON by Burmah (hereinafter referred to as "the discussions"). On or about December 3, 1973, defendant GEON issued its first public release stating that the discussions were being conducted.

18. Despite the absence of publicly available information concerning the discussions, defendant NEUWIRTH provided defendants RAUCH and R. ALPERT, among others, prior to December 3, 1973 with a continuous flow of material non-public information regarding the fact and the progress of the discussions.

19. While in possession of this material non-public information, defendants R. ALPERT and I. ALPERT purchased approximately 4,600 shares of the common stock of GEON on the AMEX during October 1973 in anticipation of an increase in the price of the stock without disclosing such information.

20. While in possession of this material non-public information given to them by NEUWIRTH, defendants RAUCH and EDWARDS & HANLY purchased GEON shares on the AMEX for RAUCH, his relatives, and other clients, including defendant McMAHON, who was also in possession of such material non-public information and who had instructed RAUCH to purchase GEON shares for his account.

- 5 -

21. For example, from October through December 3, 1973, defendant RAUCH purchased approximately 4,200 shares of GEON for the accounts of his wife, McMAHON, and a nominee account in the name of McMAHON's father-in-law, and made additional purchases for his other customers without disclosing the above-described material non-public information. In order to conceal the fact that defendant McMAHON was employed by GEON and its subsidiaries, defendant RAUCH designated defendant McMAHON's place of employment as "Arthur Anderson & Co." on McMAHON's account card at EDWARDS & HANLY. Further, when defendant McMAHON was unable to make payment for the purchase of 600 shares of GEON's stock purchased on margin, despite the absence of a signed margin agreement, which fact EDWARDS & HANLY knew or should have known, defendant RAUCH directed defendant McMAHON to a lending institution to obtain the funds. When this institution failed to lend all of the funds necessary to complete the margin transaction, defendant RAUCH personally loaned funds to defendant McMAHON to provide additional margin.

22. On or about December 21, 1973, defendant GEON publicly announced that an agreement in principle had been reached with Burmah whereby Burmah would acquire GEON at approximately \$16.80 per share.

23. During January and February 1974, defendant NEUWIRTH continued to keep defendants R. ALPERT and RAUCH, among others, apprised of the progress of the Burmah deal.

24. On approximately February 15, 1974, a meeting of the board of directors of GEON was scheduled for February 21, 1974, at 3:30 p.m. at the offices of GEON's attorneys in Manhattan for the purpose of acquiring GEON's directors' formal approval of a written contract between GEON and Burmah.

25. Between approximately February 15 and February 21, 1974, defendant NEUWIRTH advised defendants R. ALPERT and RAUCH, among others, of the scheduled meeting of the board of directors and the purpose of the meeting. No public release regarding the impending meeting of the board of directors was issued and this information was not generally available to the investing public. While in possession of this material non-public information, defendant RAUCH bought additional shares of GEON

- 6 -

for himself and others on the AMEX through defendant EDWARDS & HANLY without disclosing the material non-public information concerning the meeting.

26. In anticipation of the scheduled directors meeting, certain officers and employees of GEON, including defendants BLOOM and McMAHON, gathered and assembled financial data from the various divisions of the company so as to have an indication of the company's performance for the year 1973. This preliminary financial data indicated a substantial variance between the projected earnings of the company and its actual earnings. It appeared that the pre-tax net earnings for 1973 would be some \$900,000 or approximately 29% less than expected.

27. Due to the pressure of time, it was not possible to confirm the full magnitude of the reduced net earnings prior to the scheduled directors meeting. Attempts to call the attorneys for GEON to delay the meeting were not successful. Defendant BLOOM and certain officers of GEON, one of whom was also a director, arrived early for the directors meeting so that they could discuss the variance problem with the company's counsel. Upon arriving at the offices of counsel, a discussion ensued between counsel and the company's officers in the corridors of counsel's offices. As certain of the directors, including defendant NEUWIRTH, arrived for the meeting, they were immediately informed of the probable substantial reduction in the net earnings of the company.

28. Shortly after these initial discussions, the meeting of the board of directors was held and it was decided that the agreement with Burmah could not then be signed and that a determined effort would be made to determine the amount of the company's earnings.

29. During the remainder of that day and on into the early morning of February 22, 1974, GEON personnel, including defendants BLOOM and McMAHON sought to obtain more concrete financial information. Although no definitive conclusion was reached that night, defendants BLOOM and McMAHON knew GEON'S pre-tax earnings would be reduced by at least \$300,000 or approximately 10%.

- 7 -

30. Defendant McMAHON left the company offices shortly after midnight. Arriving home at approximately 1:00 a.m. on February 22, 1974, defendant McMAHON immediately called defendant RAUCH and directed that his (McMAHON's) holdings in GEON be sold as soon as possible.

31. Later that morning, at approximately 7:30 a.m., defendant RAUCH called defendant McMAHON to confirm that defendant McMAHON wanted to sell his entire holdings in GEON including those in his own account and those in his account under the name of his father-in-law. During the course of the conversation, defendant RAUCH, who knew that defendant McMAHON was employed in the accounting department of GEON, was told that GEON had a "big problem with the figures." Defendant RAUCH proceeded to his office and entered orders to sell defendant McMAHON's GEON stock holdings. In addition, defendant RAUCH, while in possession not only of the information made available to him by defendant McMAHON but also in possession of the information previously provided to him by defendant NEUWIRTH, none of which was available to the investing public generally, proceeded to enter orders to sell GEON common stock for himself, his relatives, friends and various other clients. These orders were executed by defendant EDWARDS & HANLY. Defendants McMAHON and RAUCH failed to disclose the material non-public information concerning GEON's probable earnings reduction and its probable impact on the Burmah acquisition.

32. Defendants R. ALPERT and I. ALPERT, who knew from defendant NEUWIRTH of the scheduled meeting of the board of directors concerning the Burmah agreement, and who anticipated hearing from defendant NEUWIRTH the favorable results of that meeting, having heard nothing by the morning of February 22, 1974, entered orders with their broker to sell half of their holdings in GEON common stock without disclosing the material non-public information concerning the GEON board of directors meeting.

33. As a result of the previously described sell orders, among others, the market in GEON common stock on the AMEX was swamped with sell orders prior to the opening on February 22, 1974, creating an "imbalance."

- 8 -

Consequently, officials of the AMEX delayed the opening of the market in GEON stock and called the company to determine what information the company could provide to explain the large number of sell orders. Defendant BLOOM advised that GEON had no information or recent developments to account for the sell orders, though, at that time, he knew that there would be a substantial reduction in GEON's previously reported financial results for the first three quarters of 1973 and that GEON's earnings for the year would be substantially lower than were projected, and that the proposed acquisition by Burmah might thereby be affected.

34. On or about February 22, 1974, the AMEX opened trading in GEON common stock and the sell orders of defendants RAUCH, McMAHON, R. ALPERT and I. ALPERT were executed. Defendant I. ALPERT, when he was told that his initial order had been executed, entered a second order to sell the remaining half of his and R. ALPERT's GEON stock, again without disclosing the material non-public information in the ALPERTS' possession. From approximately 10:33 A.M. to approximately 11:19 A.M., the price of GEON stock declined from approximately \$14-3/8 to approximately \$11-7/8 on heavy volume, at which point, pursuant to a request from GEON's counsel, the AMEX halted trading pending an announcement from the company.

35. On or about March 15, 1974, GEON publicly announced it had reached a revised agreement in principle with Burmah. The revised agreement called for a purchase price of \$28 million or about \$13.00 per share, down from the originally agreed price of \$36 million or about \$16.80 per share. GEON further announced that its net earnings were \$1.4 million or .67 cents a share down from \$1.7 million or .81 cents a share in 1972.

36. In furtherance of the scheme described above and in order to continue to conceal such conduct, defendant RAUCH called defendant McMAHON on or about February 27, 1974 to fabricate a story with respect to the facts and circumstances surrounding McMAHON's sales of GEON stock on February 22, 1974. Defendant RAUCH also called McMAHON's father-in-law in an unsuccessful effort to enlist his participation in the fabrication.

- 9 -

Thereafter, defendant RAUCH testified before the AMEX at its request and, while under oath, related the fabricated story to officials of the AMEX.

COUNT II

VIOLATION OF SECTION 17(a) OF THE
SECURITIES ACT, 15 U.S.C. 77q(a)

37. Paragraphs 1, 4 through 11, and 26 through 36 are hereby realleged and incorporated herein by this reference.

38. From in or about September 1973 to March 1974, defendants GEON NEUWIRTH, BLOOM, McMAHON, EDWARDS & HANLY, RAUCH, R. ALPERT and I. ALPERT and other persons, directly and indirectly, singly and in concert and aiding and abetting each other, in the offer and sale of securities, by use of the means and instruments of transportation and communication in interstate commerce and of the mails, have been and are now (1) employing devices, schemes and artifices to defraud, (2) obtaining money and property by means of untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, and (3) engaging in transactions, practices and a course of business which have operated, are operating and would operate as a fraud and deceit on purchasers and prospective purchasers of the securities of GEON, in the manner and means as set forth in paragraphs 17 through 36 above, all in violation of Section 17(a) of the Securities Act, 15 U.S.C. 77q(a).

COUNT III

VIOLATION OF SECTION 7(c) OF THE
EXCHANGE ACT, 15 U.S.C. 78g(c)
AND REGULATION T, 12 CFR 220,
PROMULGATED THEREUNDER

39. Paragraphs 2 through 6, 10, 12, 21 and 30, 31 and 34 are hereby realleged and incorporated herein by this reference.

40. From in or about November 1973 and continuing to the present, defendants RAUCH and McMAHON, singly and in concert and aiding and abetting each other have been and are now effecting transactions in

- 10 -

the general accounts of defendant McMAHON and those of McMAHON in the name of his father-in-law, which, in combination with the other transactions effected in such account on the same day, created an excess of the adjusted debit balances of such accounts over the maximum loan value of the securities in such accounts without obtaining, as promptly as possible and in any event before the expiration of five full business days following the date of such transactions, deposits into such accounts of cash or securities in such amount that the cash deposited plus the loan value of the securities deposited equalled or exceeded the excess so created or the increase so caused, in violation of Section 7(c) of the Exchange Act, 15 U.S.C. 78g(c), and Regulation T, 12 CFR 220, promulgated thereunder by the Federal Reserve Board as more fully described hereafter.

41. On or about November 2, 1973, defendant RAUCH in agreement with defendant McMAHON purchased for McMAHON 200 shares of GEON, a margin security, in an account in the name of McMAHON's father-in-law. RAUCH, in furtherance of his violative conduct, did not record that McMAHON was the beneficial owner of the account, nor did RAUCH acquire the signature of the father-in-law or McMAHON on a margin agreement as he was required to do.

42. On or about November 6 and 9, 1973, defendants RAUCH and McMAHON decided to and did purchase additional shares of GEON. Defendant RAUCH then arranged for an extension of time for McMAHON to advance the cash needed to be in compliance with the margin requirements.

43. When defendant McMAHON failed to advance the cash needed to comply with the margin requirements then applicable to these accounts, defendant RAUCH obtained an additional extension of time for such payment to be made. Defendant McMAHON, who had been unable to obtain the money, at the suggestion of RAUCH, borrowed from a particular lending institution designated by RAUCH approximately one-half of the cash needed to satisfy the margin requirements. Defendant McMAHON then advised RAUCH of his inability to procure all the needed cash.

- 11 -

44. It was then orally agreed that RAUCH, McMAHON's broker, would personally lend to McMAHON additional cash. This cash was deposited by RAUCH in McMAHON's account in an attempt to make it appear that the account reflected compliance with the margin requirements. EDWARDS & HANLY, with RAUCH's knowledge, extended the credits for the balance of the purchase price for the shares.

COUNT V

VIOLATION OF SECTION 7(f) OF THE
EXCHANGE ACT (15 U.S.C. 78g(f))
AND REGULATION X PROMULGATED THERE-
UNDER

45. Paragraphs 2 through 6, 10, 12, 21, 30, 31, 34 and 40 through 44 are hereby realleged and incorporated herein by this reference.

46. From on or about November 1973 and continuing to the present, defendant McMAHON, aided and abetted by defendant RAUCH, obtained credit for the purpose of purchasing or carrying securities from a broker-dealer not in conformity with the provisions of Regulation T in violation of Section 7(f) of the Exchange Act, 15 U.S.C. 78g(f), and Regulation X, 12 CFR 224, promulgated thereunder as more fully described in paragraphs 40 through 44 above.

WHEREFORE, plaintiff SECURITIES AND EXCHANGE COMMISSION respectfully demands that this Court:

I. ISSUE a preliminary injunction and final judgment of permanent injunction restraining and enjoining the defendants GEON and EDWARDS & HANLY, and their officers, directors, employees, agents, partners, successors, affiliates, subsidiaries and assigns, and the defendants NEUWIRTH, BLOOM, McMAHON, RAUCH, R. ALPERT and I. ALPERT, their agents, servants, employees, successors and assigns, and each of them and those persons acting in concert or participation with them, from, directly or indirectly, in connection with the offer, purchase, or sale of securities, issued or to be issued, by defendant GEON, its subsidiaries or affiliates, or the securities of any other issuer, making use of the means and instrumentalities of interstate commerce or of the mails to:

- 12 -

- A. Obtain money or property by making or make materially false and misleading statements or omit to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading, concerning, among other things:
1. the status of negotiations between GEON and Burmah Oil Co. or the status of negotiations between any other persons, companies or other entities,
 2. the financial position of GEON or any other issuer regarding, among other things, earnings and profitability, and
 3. the full nature, extent and source of information with respect to GEON or any other issuer;
- B. Employ any device, scheme or artifice to defraud by engaging in any of the activities described in subparagraph A of this Part I or in practices of similar purport or object; and
- C. Engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person by, including, but not limited to:
1. purchasing and selling, or offering to purchase or sell, securities of GEON, or any other securities, while in possession of material non-public information without disclosing such information, or
 2. disseminating material non-public information with respect to GEON, or any other issuer, to persons in a position to use such information

- 13 -

in connection with the purchase or sale of securities without prior thereto making such information available to the investing public generally, or

3. failing to adequately supervise and control the activities of their employees or agents:

in violation of Section 10(b) of the Exchange Act, 15 U.S.C. 78j(b), and Rule 10b-5 promulgated thereunder, and Section 17(a) of the Securities Act, 15 U.S.C. 77q(a).

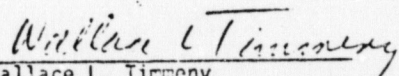
II. ISSUE a preliminary injunction and a final judgment of permanent injunction restraining and enjoining defendants RAUCH and McMAHON, their agents, servants, employees, and those persons acting in concert or participation with them, either directly or indirectly, or by aiding or abetting each other from, among other things:

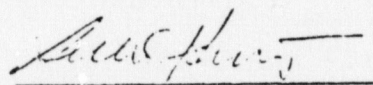
- A. arranging for the extension of credit, or from extending credit for the purpose of purchasing or carrying securities in violation of Section 7(c)(1) of the Exchange Act, 15 U.S.C. 78g(c), and Regulation T promulgated thereunder, 12 CFR 220.
- B. obtaining credit for the purpose of purchasing or carrying of securities in violation of Section 7(f) of the Exchange Act, 15 U.S.C. 78g(f) and Regulation X promulgated thereunder, 12 CFR 224.

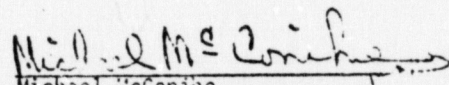
III. GRANT such other and further relief as the Court deems appropriate, including the disgorgement of all illegally obtained benefits.

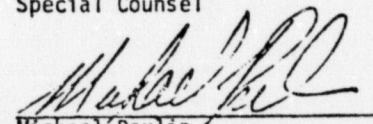
- 14 -

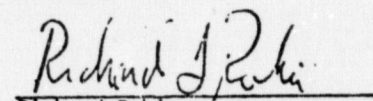
Respectfully Submitted,



Wallace L. Timmeny
Associate Director


Richard S. Kraut
Office Chief


Michael McConihe
Special Counsel


Michael Perlis
Attorney


Richard Rubin
Attorney


W. Michael Drake
Attorney

William D. Moran
Administrator
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Securities and Exchange Commission
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Attorneys for Plaintiff
Securities and Exchange Commission
Washington, D.C. 20549
Telephone (202) 755-8792

Dated:

Apr 26 3 19 PM '74

S.D. of N.Y.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

SECURITIES AND EXCHANGE	:	
COMMISSION,	:	
	:	74 Civ. 1496 (D.B.B.)
Plaintiff,	:	
	:	
-against-	:	ANSWER OF
	:	<u>DEFENDANT EDWARDS & HANLY</u>
GEON INDUSTRIES, INC., GEORGE O.	:	
NEUWIRTH, FRANK BLOOM, JAMES	:	
MCMAHON, EDWARDS & HANLY, MARVIN	:	
RAUCH, ROY ALPERT and IRVING	:	
ALPERT,	:	
	:	
Defendants,	:	
	:	

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Defendant Edwards & Hanly by Delson & Gordon,
its attorneys, answering the plaintiff's complaint,
states:

1. Denies each and every allegation of paragraphs 1, 6, 16, 20 and 38 of the Complaint as the same relates to the answering defendant and denies knowledge or information sufficient to form a belief as to the truth of each and every allegation of each such paragraph as the same relates to the other defendants.

2. Denies knowledge or information sufficient to form a belief as to the truth of each and every allegation of paragraphs 2, 8, 9, 10, 13, 14, 17, 18, 19, 23, 24, 26, 27, 28, 29, 30, 32, 33, 35, 36, 40, 41, 42, 43 and 46 of the Complaint.

3. With respect to the allegations of paragraphs 4 and 5 of the Complaint admits that the plaintiff purports to bring this action under the sections cited in paragraph 4 and purports to invoke the

jurisdiction of the Court pursuant to the sections cited in paragraph 5, but denies as to the answering defendant that this action is properly brought against this defendant under the sections cited in paragraph 4 and denies that this Court has jurisdiction over any acts, practices or courses of conduct which may have been undertaken by the answering defendant in connection with the subject matter of the Complaint.

4. Denies knowledge or information sufficient to form a belief as to the truth of each and every allegation of paragraph 7 of the Complaint, except admits that the common stock of the defendant Geon is listed for trading on the American Stock Exchange.

5. Denies knowledge or information sufficient to form a belief as to the truth of each and every allegation of paragraph 21 of the Complaint, except admits that the defendant Rauch designated defendant McMahon's place of employment as "Arthur Anderson & Co." on McMahon's account card at Edwards & Hanly and denies that a margin account maintained by the defendant McMahon with Edwards & Hanly was absent a signed margin agreement and denies that the answering defendant knew or should have known of the alleged wrongful conduct set forth in said paragraph.

6. Denies knowledge or information sufficient to form a belief as to the truth of each and every allegation of paragraph 25 of the Complaint, except admits that defendant Rauch purchased additional shares of Geon for himself and others on the AMEX

through defendant Edwards & Hanly between approximately February 15 and February 21, 1974 and denies that the answering defendant knew or should have known of any of the alleged wrongful conduct set forth in said paragraph.

7. Denies knowledge or information sufficient to form a belief as to the truth of each and every allegation of paragraph 31 of the Complaint, except admits that on February 22, 1974, the answering defendant executed certain orders for the sale of Geon stock and denies that it knew or should have known of any of the alleged wrongful conduct set forth in said paragraph.

8. Denies knowledge or information sufficient to form a belief as to the truth of each and every allegation of paragraph 34 of the Complaint, except admits that on or about February 22, 1974 the AMEX opened trading on Geon common stock and certain sell orders of defendants Rauch and McMahon were executed.

9. Denies knowledge or information sufficient to form a belief as to the truth of each and every allegation of paragraph 44 of the Complaint, except admits that the answering defendant extended certain margin credits in an account maintained by the defendant McMahon and denies that the answering defendant knew or should have known of any of the alleged wrongful conduct set forth in said paragraph.

AS AND FOR A
FIRST AFFIRMATIVE DEFENSE

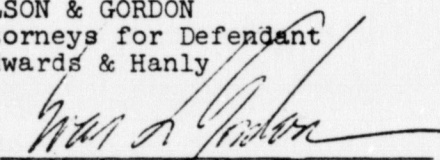
10. The Complaint fails to state a cause of action against the defendant Edwards & Hanly.

AS AND FOR A
SECOND AFFIRMATIVE DEFENSE

11. With respect to the activities of its employee defendant Rauch, the answering defendant at all times acted in good faith and did not directly or indirectly induce the act or acts constituting the alleged violations or causes of action.

WHEREFORE, defendant Edwards & Hanly demands judgment dismissing the Complaint together with such other and further relief as to the Court may seem just and proper.

DELSON & GORDON
Attorneys for Defendant
Edwards & Hanly

By: 
A Member of the Firm

Office and Post Office Address
230 Park Avenue
New York, New York 10017
(212) 686-8030

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FILED
U.S. DISTRICT COURT
APR 26 12 43 PM '74

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

GEON INDUSTRIES, INC., GEORGE O. NEUWIRTH,
FRANK BLOOM, JAMES McMAHON, EDWARDS & HANLY,
MARVIN RAUCH, ROY ALPERT, IRVING ALPERT,

Defendants.

ANSWER

74 Civ. 1496
(DBB)

Defendant GEORGE O. NEUWIRTH, by his attorneys
Kaye, Scholer, Fierman, Hays & Handler, for his answer to
the complaint herein, alleges as follows:

1. Denies each and every allegation contained in
paragraph "1" of the complaint herein.

2. Denies that he has knowledge or information
thereof sufficient to form a belief as to the truth of each
and every allegation contained in paragraphs "2", "3", "4"
and "5" of the complaint herein.

3. Denies that he has knowledge or information
thereof sufficient to form a belief as to the truth of each
and every allegation contained in paragraph "6" of the
complaint herein, except specifically denies each and every
allegation contained in paragraph "6" of the complaint herein,
insofar as it purports to relate to defendants Geon, Neuwirth
and Bloom.

4. Denies each and every allegation contained in
paragraph "7" of the complaint herein, except admits that
Geon is a New York corporation with its headquarters located
at 80 Crossways Park Drive, Woodbury, New York, that Geon,

5

through its subsidiaries, is engaged primarily in the business of importing and distributing foreign car replacement parts throughout the United States and distributing throughout the free world United States manufactured automotive, aircraft, tractor, industrial, marine and other parts, that Geon has approximately 2 million shares of common stock outstanding, that its common stock is listed for trading on the American Stock Exchange and that its securities are registered pursuant to Section 12(b) of the Securities Exchange Act of 1934.

5. Denies each and every allegation contained in paragraph "8" of the complaint herein, except admits that George O. Neuwirth, Geon's founder, is Geon's chief executive officer, chairman of the board and the record and beneficial owner of 141,960 shares of Geon stock, that George O. Neuwirth, as voting trustee for a member of his immediate family and others, is the record owner of 441,253 shares of Geon's common stock, which defendant Neuwirth votes pursuant to a voting trust, and that defendant Neuwirth resides at 3 Hawthorne Lane, Great Neck, New York.

6. Denies each and every allegation contained in paragraph "10" of the complaint herein, except denies that it has knowledge or information thereof sufficient to form a belief as to the truth of whether defendant McMahon resides at 23 Wood's Lane, Southhampton, New York, and except admits that at the times referred to in the complaint, defendant McMahon was an accountant, that he was the comptroller of Geon Intercontinental Corp. (hereinafter "Intercontinental"), a wholly-owned subsidiary of defendant Geon, and that defendant McMahon had responsibility for the supervision and administration of all day-to-day accounting and reporting functions at Intercontinental.

7. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraphs "11" and "12" of the complaint herein.

8. With regard to paragraph "15" of the complaint herein, repeats and realleges each and every allegation contained in paragraphs "1" through "7" of this answer with the same force and effect as though more fully and at length set forth herein.

9. Denies each and every allegation contained in paragraph "16" of the complaint herein.

10. Denies each and every allegation contained in paragraph "17" of the complaint herein, except admits that in approximately September or October 1973, defendant Geon began discussions with Burmah Oil Company (hereinafter "Burmah") with regard to whether Burmah might be interested in making an offer to acquire Geon, and that on December 3, 1973 Geon issued a press release which stated in pertinent part:

"Geon Industries, Inc. (Amex) announces today that it is engaged in preliminary discussions looking to the possible acquisition of Geon by Burmah Oil Incorporated "

11. Denies each and every allegation contained in paragraph "18" of the complaint herein.

12. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "19" of the complaint herein, except specifically denies that defendant George O. Neuwirth conveyed any material non-public information concerning Geon to either defendant Roy Alpert or to defendant Irving Alpert, either during October 1973 or at any other time.

13. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "20" of the complaint herein, except specifically denies that defendant George O. Neuwirth at any time conveyed any material non-public information concerning Geon to either defendant Marvin Rauch or to defendant Edwards & Hanly or to defendant James McMahon.

14. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "21" of the complaint herein.

15. Denies each and every allegation contained in paragraph "22" of the complaint herein, except admits that on December 20, 1973 Geon issued a press release which stated:

"Geon Industries, Inc. (Amex) announced today that its Board of Directors has approved an agreement in principle with Burmah Oil Incorporated for the acquisition of Geon by Burmah for a price of \$36 million in cash, which after the payment of expenses related to the acquisition will be approximately \$16.80 per share. Geon said that the transaction is subject to the preparation and execution of a definitive agreement and other conditions, including necessary United Kingdom approvals."

16. Denies each and every allegation contained in paragraph "23" of the complaint herein.

17. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "25" of the complaint herein, except admits that on February 20, 1974 defendant George O. Neuwirth advised defendant Roy Alpert that on February 21, 1974 there would be a meeting of the board of directors of Geon at which Neuwirth anticipated that

the board of directors of Geon would review and approve the written contract embodying the deal with Burmah, and that no public release regarding this meeting was issued, and except specifically denies that defendant Neuwirth advised defendant Rauch either that there would be a meeting of the Geon board of directors on February 21, 1974 or the purpose of that meeting, and except specifically denies that defendant George O. Neuwirth conveyed any material non-public information concerning Geon to either defendant Roy Alpert or to defendant Marvin Rauch, either between February 15 and February 21, 1974 or at any other time.

18. Denies each and every allegation contained in paragraph "26" of the complaint herein, except admits that in anticipation of the scheduled board of directors meeting, certain officers and employees of Geon, including defendants Frank Bloom and James McMahon, attempted to gather and assemble financial data from various divisions of the company in the hope of having an indication of the company's performance for the year 1973, and except specifically denies that the information in the possession of defendants Frank Bloom and James McMahon on February 21, 1974 can fairly be characterized as "preliminary financial data."

19. Denies each and every allegation contained in paragraph "27" of the complaint herein.

20. Denies each and every allegation contained in paragraph "28" of the complaint herein, except admits that at the board of directors meeting of Geon held on February 21, 1974 it was decided that a determined effort would be made to obtain a reliable assessment of the company's 1973 earnings.

21. Denies each and every allegation contained in paragraph "29" of the complaint herein, except admits that during the evening of February 21, 1974 and on into the early morning of February 22, 1974 defendants Frank Bloom and James McMahon sought to obtain reliable financial information.

22. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "30" of the complaint herein.

23. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "31" of the complaint herein, except specifically denies that defendant George O. Neuwirth ever provided defendant Marvin Rauch with any material non-public information concerning Geon, and except specifically denies that either on February 21 or February 22, 1974 any person was in possession of any information which showed a "probable earnings reduction" on the part of Geon.

24. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "32" of the complaint herein, except admits that on February 20, 1974 defendant Roy Alpert was told by defendant George O. Neuwirth that there would be a meeting of the board of directors of Geon on February 21, 1974 to approve the Burmah contract, and except specifically denies that on February 22, 1974 defendants Roy Alpert and Irving Alpert were in possession of any material non-public information concerning Geon transmitted to them by defendant George O. Neuwirth.

25. Denies each and every allegation contained in paragraph "33" of the complaint herein, except denies that he has knowledge or information thereof sufficient to form a belief as to whether, as a result of previously described sell orders, among others, the market in Geon common stock on the American Stock Exchange was swamped with sell orders prior to the opening on February 22, 1974, creating an imbalance, and except admits that on February 22, 1974 officials of the American Stock Exchange delayed the opening of the market in Geon stock and thereafter placed a telephone call to Geon.

26. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "34" of the complaint herein, except admits that on February 22, 1974 the American Stock Exchange opened trading in Geon common stock and that from the opening to approximately 11:19 a.m. the price of Geon common stock declined from approximately $14\frac{3}{8}$ to approximately $11\frac{7}{8}$ and that, prior to 11:00 a.m. on the morning of February 22, 1974, and at a time when the market price of Geon's stock was last quoted at $13\frac{7}{8}$, Geon's counsel requested that the American Stock Exchange halt trading in Geon, and that thereafter the American Stock Exchange complied with that request.

27. Denies each and every allegation contained in paragraph "35" of the complaint herein, except admits that on March 14, 1974 Geon publicly announced it had reached a revised agreement in principle with Burmah, that the revised agreement called for a purchase price of \$28 million, or approximately \$13 per share, down from the

originally agreed price of \$36 million, or approximately \$16.80 per share, and that Geon further announced that its net earnings were \$1.418 million or \$.69 per share as against \$1.667 million or \$.81 per share in 1972.

28. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "36" of the complaint herein, except specifically denies that any of the defendants Geon, Neuwirth or Bloom participated in any scheme with defendant Rauch.

29. With regard to paragraph "37" of the complaint herein, repeats and realleges each and every allegation contained in paragraphs "1" through "7" and "18" through "28" of this answer with the same force and effect as though more fully and at length set forth herein.

30. Denies each and every allegation contained in paragraph "38" of the complaint herein.

31. With regard to paragraph "39" of the complaint herein, repeats and realleges each and every allegation contained in paragraphs "2", "3", "6", "7", "14", "22", "23" and "26" of this answer with the same force and effect as though more fully and at length set forth herein.

32. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraphs "40" through "44" of the complaint herein.

33. With regard to paragraph "45" of the complaint herein, repeats and realleges each and every allegation contained in paragraphs "2", "3", "6", "7", "14", "22", "23", "26" and "32" of this answer with the same force and effect as though more fully and at length set forth herein.

34. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "46" of the complaint herein.

WHEREFORE, defendant GEORGE O. NEUWIRTH respectfully demands judgment dismissing the complaint herein together with costs and disbursements, and for such other and further relief as to this court may seem just and proper.

KAYE, SCHOLER, FIERMAN, HAYS & HANDLER

By: Jay I. Strum

A Member of the Firm

Attorneys for Defendants
GEON INDUSTRIES, INC., GEORGE O.
NEUWIRTH and FRANK BLOOM

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
SECURITIES AND EXCHANGE COMMISSION, :
 :
Plaintiff, :
 :
-against- : AFFIDAVIT
 :
GEON INDUSTRIES, INC., GEORGE O. NEUWIRTH, : 74 Civ. 1496
FRANK BLOOM, JAMES McMAHON, EDWARDS & HANLY, : (DBB)
MARVIN RAUCH, ROY ALPERT, IRVING ALPERT, :
 :
Defendants. :
-----X

STATE OF NEW YORK)
 :
COUNTY OF NEW YORK) ss.:

Patricia Anderson, being duly sworn, deposes and says that she is employed in the office of Kaye, Scholer, Fierman, Hays & Handler, the attorneys for defendants Geon Industries, Inc., George O. Neuwirth and Frank Bloom herein. That on the 25th day of April, 1974, she served the within Answer of defendant George O. Neuwirth upon the Securities and Exchange Commission, the plaintiff herein, by depositing a true copy of the same securely enclosed in a post-paid wrapper in the post office box regularly maintained by the United States Government at 425 Park Avenue, New York, New York 10022, directed to said plaintiff at 500 North Capitol Street, Washington, D. C. 20549, to the attention of Richard Rubin, Esq., that being the address designated by them for that purpose.

Patricia Anderson
Patricia Anderson

Sworn to before me this
25th day of April, 1974

Robert Thatcher
Notary Public
ROBERT THATCHER
Notary Public, State of New York
No. 931025
Qualified in Kings County
Certificate filed in New York County
Commission Expires March 30, 1976

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

U.S. DISTRICT COURT

APR 26 12 43 PM '74

S.D. N.Y.

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

GEON INDUSTRIES, INC., GEORGE O. NEUWIRTH,
FRANK BLOOM, JAMES McMAHON, EDWARDS & HANLY,
MARVIN RAUCH, ROY ALPERT, IRVING ALPERT,

Defendants.

ANSWER

74 Civ. 1496
(DBB)

Defendant FRANK BLOOM, by his attorneys Kaye,
Scholer, Fierman, Hays & Handler, for his answer to the
complaint herein, alleges as follows:

1. Denies each and every allegation contained in
paragraph "1" of the complaint herein.

2. Denies that he has knowledge or information
thereof sufficient to form a belief as to the truth of each
and every allegation contained in paragraphs "2", "3", "4"
and "5" of the complaint herein.

3. Denies that he has knowledge or information
thereof sufficient to form a belief as to the truth of each
and every allegation contained in paragraph "6" of the
complaint herein, except specifically denies each and every
allegation contained in paragraph "6" of the complaint
herein insofar as it purports to relate to defendants Geon,
Neuwirth and Bloom.

4. Denies each and every allegation contained
in paragraph "7" of the complaint herein, except admits that
Geon is a New York corporation with its headquarters located

6

at 80 Crossways Park Drive, Woodbury, New York, that Geon, through its subsidiaries, is engaged primarily in the business of importing and distributing foreign car replacement parts throughout the United States and distributing throughout the free world United States manufactured automotive, aircraft, tractor, industrial, marine and other parts, that Geon has approximately 2 million shares of common stock outstanding, that its common stock is listed for trading on the American Stock Exchange and that its securities are registered pursuant to Section 12(b) of the Securities Exchange Act of 1934.

5. Denies each and every allegation contained in paragraph "8" of the complaint herein, except admits that George O. Neuwirth, Geon's founder, is Geon's chief executive officer, chairman of the board and the record and beneficial owner of 141,960 shares of Geon stock, that George O. Neuwirth, as voting trustee for a member of his immediate family and others, is the record owner of 441,253 shares of Geon's common stock which defendant Neuwirth votes pursuant to a voting trust and that defendant Neuwirth resides at 3 Hawthorne Lane, Great Neck, New York.

6. Denies each and every allegation contained in paragraph "10" of the complaint herein, except denies that he has knowledge or information thereof sufficient to form a belief as to the truth of whether defendant McMahon resides at 23 Wood's Lane, Southhampton, New York, and except admits that at the times referred to in the complaint, defendant McMahon was an accountant, that he was the comptroller of Geon Intercontinental Corp. (hereinafter "Intercontinental"), a wholly-owned subsidiary of defendant Geon, and that

defendant McMahon had responsibility for the supervision and administration of all day-to-day accounting and reporting functions at Intercontinental.

7. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraphs "11" and "12" of the complaint herein.

8. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraphs "13" and "14" of the complaint herein.

9. With regard to paragraph "15" of the complaint herein, repeats and realleges each and every allegation contained in paragraphs "1" through "8" of this answer with the same force and effect as though more fully and at length set forth herein.

10. Denies each and every allegation contained in paragraph "16" of the complaint herein.

11. Denies each and every allegation contained in paragraph "17" of the complaint herein, except admits that in approximately September or October 1973, defendant Geon began discussions with Burmah Oil Company (hereinafter "Burmah") with regard to whether Burmah might be interested in making an offer to acquire Geon, and that on December 3, 1973 Geon issued a press release which stated in pertinent part:

"Geon Industries, Inc. (Amex) announces today that it is engaged in preliminary discussions looking to the possible acquisition of Geon by Burmah Oil Incorporated"

12. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraphs "18", "19", "20" and "21" of the complaint herein.

13. Denies each and every allegation contained in paragraph "22" of the complaint herein, except admits that on December 20, 1973 Geon issued a press release which stated:

"Geon Industries, Inc. (Amex) announced today that its Board of Directors has approved an agreement in principle with Burmah Oil Incorporated for the acquisition of Geon by Burmah for a price of \$36 million in cash, which after the payment of expenses related to the acquisition will be approximately \$16.80 per share. Geon said that the transaction is subject to the preparation and execution of a definitive agreement and other conditions, including necessary United Kingdom approvals."

14. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "23" of the complaint herein.

15. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "25" of the complaint herein, except admits that no public release regarding the February 21, 1974 meeting of the Geon board of directors was issued.

16. Denies each and every allegation contained in paragraph "26" of the complaint herein, except admits that in anticipation of the scheduled board of directors meeting, certain officers and employees of Geon, including defendants Frank Bloom and James McMahon, attempted to gather and assemble financial data from various divisions of the company in the hope of having an indication of the company's performance for the year 1973, and except specifically denies that the information in the possession of defendants Frank Bloom and James McMahon on February 21, 1974 can fairly be characterized as "preliminary financial data".

17. Denies each and every allegation contained in paragraph "27" of the complaint herein.

18. Denies each and every allegation contained in paragraph "28" of the complaint herein, except admits that at the board of directors meeting of Geon held on February 21, 1974 it was decided that a determined effort would be made to obtain a reliable assessment of the company's 1973 earnings.

19. Denies each and every allegation contained in paragraph "29" of the complaint herein, except admits that during the evening of February 21, 1974 and on into the early morning of February 22, 1974 defendants Frank Bloom and James McMahon sought to obtain reliable financial information.

20. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "30" of the complaint herein, except admits that defendant James McMahon left the company offices shortly after midnight.

21. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "31" of the complaint herein.

22. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "32" of the complaint herein.

23. Denies each and every allegation contained in paragraph "33" of the complaint herein, except denies that he has knowledge or information thereof sufficient to form a

belief as to whether, as a result of previously described sell orders, among others, the market in Geon common stock on the American Stock Exchange was swamped with sell orders prior to the opening on February 22, 1974, creating an imbalance, and except admits that on February 22, 1974 officials of the American Stock Exchange delayed the opening of the market in Geon stock and thereafter placed a telephone call to Geon.

24. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "34" of the complaint herein, except admits that on February 22, 1974 the American Stock Exchange opened trading in Geon common stock, and that from the opening to approximately 11:19 a.m. the price of Geon common stock declined from approximately 14-3/8 to approximately 11-7/8 and that, prior to 11:00 a.m. on the morning of February 22, 1974, and at a time when the market price of Geon's stock was last quoted at 13-7/8, Geon's counsel requested that the American Stock Exchange halt trading in Geon, and that thereafter the American Stock Exchange complied with that request.

25. Denies each and every allegation contained in paragraph "35" of the complaint herein, except admits that on March 14, 1974 Geon publicly announced it had reached a revised agreement in principle with Burmah, that the revised agreement called for a purchase price of \$28 million, or approximately \$13 per share, down from the originally agreed price of \$36 million, or approximately \$16.80 per share, and that Geon further announced that its net earnings were \$1.418 million or \$.69 per share as against \$1.667 million or \$.81 per share in 1972.

26. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "36" of the complaint herein, except specifically denies that any of the defendants Geon, Neuwirth or Bloom participated in any scheme with defendant Rauch.

27. With regard to paragraph "37" of the complaint herein, repeats and realleges each and every allegation contained in paragraphs "1" through "8" and "16" through "26" of this answer with the same force and effect as though more fully and at length set forth herein.

28. Denies each and every allegation contained in paragraph "38" of the complaint herein.

29. With regard to paragraph "39" of the complaint herein, repeats and realleges each and every allegation contained in paragraphs "2", "3", "6", "7", "12", "20", "21" and "24" of this answer with the same force and effect as though more fully and at length set forth herein.

30. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraphs "40" through "44" of the complaint herein.

31. With regard to paragraph "45" of the complaint herein, repeats and realleges each and every allegation contained in paragraphs "2", "3", "6", "7", "12", "20", "21", "24" and "30" of this answer with the same force and effect as though more fully and at length set forth herein.

32. Denies that he has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "46" of the complaint herein.

WHEREFORE, defendant FRANK BLOOM respectfully demands judgment dismissing the complaint herein together with costs and disbursements, and for such other and further relief as to this court may seem just and proper.

KAYE, SCHOLER, FIERMAN, HAYS & HANDLER

By 

A Member of the Firm

Attorneys for Defendants
GEON INDUSTRIES, INC., GEORGE O.
NEUWIRTH and FRANK BLOOM

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

GEON INDUSTRIES, INC., GEORGE O. NEUWIRTH,
FRANK BLOOM, JAMES McMAHON, EDWARDS & HANLY,
MARVIN RAUCH, ROY ALPERT, IRVING ALPERT,

Defendants.

AFFIDAVIT

74 Civ. 1496
(DBB)

STATE OF NEW YORK)

COUNTY OF NEW YORK)

SS. :

Patricia Anderson, being duly sworn, deposes and says that she is employed in the office of Kaye, Scholer, Fierman, Hays & Handler, the attorneys for defendants Geon Industries, Inc., George O. Neuwirth and Frank Bloom herein. That on the 25th day of April, 1974, she served the within Answer of defendant Frank Bloom upon the Securities and Exchange Commission, the plaintiff herein, by depositing a true copy of the same securely enclosed in a post-paid wrapper in the post office box regularly maintained by the United States Government at 425 Park Avenue, New York, New York 10022, directed to said plaintiff at 500 North Capitol Street, Washington, D. C. 20549, to the attention of Richard Rubin, Esq., that being the address designated by them for that purpose.

Patricia Anderson
Patricia Anderson

Sworn to before me this
25th day of April, 1974

Robert Walker
Notary Public

ROBERT THATCHER
Notary Public, State of New York
No. 9310825
Qualified in Kings County
Certificate filed in New York County
Commission Expires March 30, 1976

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORKU.S. DISTRICT COURT
APR 76 12 43 PM '74

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

ANSWER

GEON INDUSTRIES, INC., GEORGE O. NEUWIRTH, : 74 Civ. 1496
FRANK BLOOM, JAMES McMAHON, EDWARDS & HANLY, : (DBB)
MARVIN RAUCH, ROY ALPERT, IRVING ALPERT, :

Defendants.

Defendant GEON INDUSTRIES, INC. (hereinafter "Geon"), by its attorneys Kaye, Scholer, Fierman, Hays & Handler, for its answer to the complaint herein, alleges as follows:

1. Denies each and every allegation contained in paragraph "1" of the complaint herein.
2. Denies that it has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraphs "2", "3", "4" and "5" of the complaint herein.
3. Denies that it has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "6" of the complaint herein, except specifically denies each and every allegation contained in paragraph "6" of the complaint herein, insofar as it purports to relate to defendants Geon, Neuwirth and Bloom.

(7)

4. Denies each and every allegation contained in paragraph "7" of the complaint herein, except admits that Geon is a New York corporation with its headquarters located at 80 Crossways Park Drive, Woodbury, New York, that Geon, through its subsidiaries, is engaged primarily in the business of importing and distributing foreign car replacement parts throughout the United States and distributing throughout the free world United States manufactured automotive, aircraft, tractor, industrial, marine and other parts, that Geon has approximately 2 million shares of common stock outstanding, that its common stock is listed for trading on the American Stock Exchange and that its securities are registered pursuant to Section 12(b) of the Securities Exchange Act of 1934.

5. Denies each and every allegation contained in paragraph "8" of the complaint herein, except admits that George O. Neuwirth, Geon's founder, is Geon's chief executive officer, chairman of the board and the record and beneficial owner of 141,960 shares of Geon stock, that George O. Neuwirth, as voting trustee for a member of his immediate family and others, is the record owner of 441,253 shares of Geon's common stock which defendant Neuwirth votes pursuant to a voting trust and that defendant Neuwirth resides at 3 Hawthorne Lane, Great Neck, New York.

6. Denies each and every allegation contained in paragraph "10" of the complaint herein, except denies that it has knowledge or information thereof sufficient to form a belief as to the truth of whether defendant McMahon resides at 23 Wood's Lane, Southampton, New York, and

except admits that at the times referred to in the complaint, defendant McMahon was an accountant, that he was the comptroller of Geon Intercontinental Corp. (hereinafter "Intercontinental"), a wholly-owned subsidiary of defendant Geon, and that defendant McMahon had responsibility for the supervision and administration of all day-to-day accounting and reporting functions at Intercontinental.

7. Denies that it has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraphs "11" and "12" of the complaint herein.

8. With regard to paragraph "15" of the complaint herein, repeats and realleges each and every allegation contained in paragraphs "1" through "7" of this answer with the same force and effect as though more fully and at length set forth herein.

9. Denies each and every allegation contained in paragraph "16" of the complaint herein.

10. Denies each and every allegation contained in paragraph "17" of the complaint herein, except admits that in approximately September or October 1973, defendant Geon began discussions with Burmah Oil Company (hereinafter "Burmah") with regard to whether Burmah might be interested in making an offer to acquire Geon, and that on December 3, 1973 Geon issued a press release which stated in pertinent part:

"Geon Industries, Inc., (Amex) announces today that it is engaged in preliminary discussions looking to the possible acquisition of Geon by Burmah Oil Incorporated"

11. Denies each and every allegation contained in paragraph "18" of the complaint herein.

12. Denies that it has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "19" of the complaint herein, except specifically denies that defendant George O. Neuwirth conveyed any material non-public information concerning Geon to either defendant Roy Alpert or to defendant Irving Alpert, either during October 1973 or at any other time.

13. Denies that it has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "20" of the complaint herein, except specifically denies that defendant George O. Neuwirth at any time conveyed any material non-public information concerning Geon to either defendant Marvin Rauch or to defendant Edwards & Hanly or to defendant James McMahon.

14. Denies that it has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "21" of the complaint herein.

15. Denies each and every allegation contained in paragraph "22" of the complaint herein, except admits that on December 20, 1973 Geon issued a press release which stated:

"Geon Industries, Inc. (Amex) announced today that its Board of Directors has approved an agreement in principle with Burmah Oil Incorporated for the acquisition of Geon by Burmah for a price of \$36 million in cash, which after the payment of expenses related to the acquisition will be approximately \$16.80 per share. Geon said that the transaction is subject to the preparation and execution of a definitive agreement and other conditions, including necessary United Kingdom approvals."

16. Denies each and every allegation contained in paragraph "23" of the complaint herein.

17. Denies that it has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "25" of the complaint herein, except admits that on February 20, 1974 defendant George O. Neuwirth advised defendant Roy Alpert that on February 21, 1974 there would be a meeting of the board of directors of Geon at which Neuwirth anticipated that the board of directors of Geon would review and approve the written contract embodying the deal with Burmah, and that no public release regarding this meeting was issued, and except specifically denies that defendant Neuwirth advised defendant Rauch either that there would be a meeting of the Geon board of directors on February 21, 1974 or the purpose of that meeting, and except specifically denies that defendant George O. Neuwirth conveyed any material non-public information concerning Geon to either defendant Roy Alpert or to defendant Marvin Rauch, either between February 15 and February 21, 1974 or at any other time.

18. Denies each and every allegation contained in paragraph "26" of the complaint herein, except admits that in anticipation of the scheduled board of directors meeting, certain officers and employees of Geon, including defendants Frank Bloom and James McMahon, attempted to gather and assemble financial data from various divisions of the company in the hope of having an indication of the company's performance for the year 1973, and except specifically denies that the information in the possession of defendants Frank Bloom and James McMahon on February 21, 1974 can fairly be characterized as "preliminary financial data."

19. Denies each and every allegation contained in paragraph "27" of the complaint herein.

20. Denies each and every allegation contained in paragraph "28" of the complaint herein, except admits that at the board of directors meeting of Geon held on February 21, 1974 it was decided that a determined effort would be made to obtain a reliable assessment of the company's 1973 earnings.

21. Denies each and every allegation contained in paragraph "29" of the complaint herein, except admits that during the evening of February 21, 1974 and on into the early morning of February 22, 1974 defendants Frank Bloom and James McMahon sought to obtain reliable financial information.

22. Denies that it has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "30" of the complaint herein, except admits that defendant James McMahon left the company offices shortly after midnight.

23. Denies that it has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "31" of the complaint herein, except specifically denies that defendant George O. Neuwirth ever provided defendant Marvin Rauch with any material non-public information concerning Geon, and except specifically denies that either on February 21 or February 22, 1974 any person was in possession of any information which showed a "probable earnings reduction" on the part of Geon.

24. Denies that it has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "32" of the complaint herein, except admits that on February 20, 1974 defendant Roy Alpert was told by defendant George O. Neuwirth that there would be a meeting of the board of directors of Geon on February 21, 1974 to approve the Burmah contract, and except specifically denies that on February 22, 1974 defendants Roy Alpert and Irving Alpert were in possession of any material non-public information concerning Geon transmitted to them by defendant George O. Neuwirth.

25. Denies each and every allegation contained in paragraph "33" of the complaint herein, except denies that it has knowledge or information thereof sufficient to form a belief as to whether, as a result of previously described sell orders, among others, the market in Geon common stock on the American Stock Exchange was swamped with sell orders prior to the opening on February 22, 1974, creating an imbalance, and except admits that on February 22, 1974 officials of the American Stock Exchange delayed the opening of the market in Geon stock and thereafter placed a telephone call to Geon.

26. Denies that it has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "34" of the complaint herein, except admits that on February 22, 1974 the American Stock Exchange opened trading in Geon common stock and that from the opening to approximately 11:19 a.m. the price of Geon common stock declined from approximately $14\frac{3}{8}$ to approximately $11\frac{7}{8}$ and that, prior to 11:00 a.m. on the morning of February 22, 1974, and at a time when the market price of Geon's stock was last quoted at $13\frac{7}{8}$, Geon's counsel requested that the American Stock Exchange halt trading in Geon, and that thereafter the American Stock Exchange complied with that request.

27. Denies each and every allegation contained in paragraph "35" of the complaint herein, except admits that on March 14, 1974 Geon publicly announced it had reached a revised agreement in principle with Burmah, that the revised agreement called for a purchase price of \$28 million, or approximately \$13 per share, down from the originally agreed price of \$36 million, or approximately \$16.80 per share, and that Geon further announced that its net earnings were \$1.418 million or \$.69 per share as against \$1.667 million or \$.81 per share in 1972.

28. Denies that it has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "36" of the complaint herein, except specifically denies that any of the defendants Geon, Neuwirth or Bloom participated in any scheme with defendant Rauch.

29. With regard to paragraph "37" of the complaint herein, repeats and realleges each and every allegation contained in paragraphs "1" through "7" and "18" through "28" of this answer with the same force and effect as though more fully and at length set forth herein.

30. Denies each and every allegation contained in paragraph "38" of the complaint herein.

31. With regard to paragraph "39" of the complaint herein, repeats and realleges each and every allegation contained in paragraphs "2", "3", "6", "7", "14", "22", "23" and "26" of this answer with the same force and effect as though more fully and at length set forth herein.

32. Denies that it has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraphs "40" through "44" of the complaint herein.

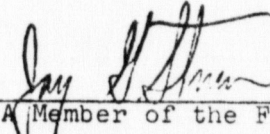
33. With regard to paragraph "45" of the complaint herein, repeats and realleges each and every allegation contained in paragraphs "2", "3", "6", "7", "14", "22", "23", "26" and "32" of this answer with the same force and effect as though more fully and at length set forth herein.

34. Denies that it has knowledge or information thereof sufficient to form a belief as to the truth of each and every allegation contained in paragraph "46" of the complaint herein.

WHEREFORE, defendant GEON INDUSTRIES, INC. respectfully demands judgment dismissing the complaint herein together with costs and disbursements, and for such other and further relief as to this court may seem just and proper.

KAYE, SCHOLER, FIERMAN, HAYS & HANDLER

By


A Member of the Firm

Attorneys for Defendants
GEON INDUSTRIES, INC., GEORGE O.
NEUWIRTH and FRANK BLOOM

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

-against- :

AFFIDAVIT

GEON INDUSTRIES, INC., GEORGE O. NEUWIRTH, : 74 Civ. 1496
FRANK BLOOM, JAMES McMAHON, EDWARDS & HANLY, : (DBB)
MARVIN RAUCH, ROY ALPERT, IRVING ALPERT, :

Defendants. :

-----X
STATE OF NEW YORK)

: ss.:

COUNTY OF NEW YORK)

Patricia Anderson, being duly sworn, deposes and says that she is employed in the office of Kaye, Scholer, Fierman, Hays & Handler, the attorneys for defendants Geon Industries, Inc., George O. Neuwirth and Frank Bloom herein. That on the 25th day of April, 1974, she served the within Answer of defendant Geon Industries, Inc. upon the Securities and Exchange Commission, the plaintiff herein, by depositing a true copy of the same securely enclosed in a post-paid wrapper in the post office box regularly maintained by the United States Government at 425 Park Avenue, New York, New York 10022, directed to said plaintiff at 500 North Capitol Street, Washington, D. C. 20549, to the attention of Richard Rubin, Esq., that being the address designated by them for that purpose.

Patricia Anderson
Patricia Anderson

Sworn to before me this
25th day of April, 1974

Robert Thatcher
Notary Public

ROBERT THATCHER
Notary Public, State of New York
No. 9310325
Qualified in Kings County
Certificate filed in New York County
Commission Expires March 30, 1976

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

--against--

GEON INDUSTRIES, INC., GEORGE O. NEUWIRTH,
FRANK BLOOM, JAMES McMAHON, EDWARDS & HANLY, :
MARVIN RAUCH, ROY ALPERT, and IRVING ALPERT, :

Defendants.
-----X

74 Civ. 1496

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SEP 23 1974

WALLACE L. TIMMENY, ESQ.

W. MICHAEL DRAKE, ESQ.

MICHAEL F. PERLIS, ESQ.

RICHARD J. RUBIN, ESQ.

Attorneys for Plaintiff Securities and Exchange Com-
mission, 500 No. Capitol St., Washington, D.C.

KAYE, SCHOLER, FIERMAN, HAYS & HANDLER

425 Park Ave., New York, N.Y. 10022

Attorneys for defendants Geon, Neuwirth and Bloom

JAY G. STRUM, ESQ.

LEWIS J. KORMAN, ESQ.

Of Counsel

MARK H. BERGER, P.C.

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Attorney for defendant James McMahon

DELSON & GORDON

230 Park Ave., New York, N.Y. 10017

Attorneys for defendant Edwards & Hanly

EVAN L. GORDON, ESQ.

Of Counsel

(23)

(Appearances continued)

BENJAMIN ZELERMYER, ESQ.

110 East 59th Street, New York, N.Y. 10022
Attorney for defendant Rauch

BORDEN & BALL

345 Park Avenue, New York, N.Y. 10022
Attorneys for defendants Alpert

OPINION

BONSAL, D. J.

Plaintiff, Securities and Exchange Commission ("SEC"), instituted this action pursuant to section 20(b) of the Securities Act of 1933 ("the Securities Act") (15 U.S.C. §77t(b)) and section 21(e) of the Securities Exchange Act of 1934 ("the Exchange Act") (15 U.S.C. §78u(e)) on April 2, 1974, seeking a preliminary and permanent injunction against alleged violations by the defendants of the federal securities laws and the rules promulgated thereunder, as set forth below. The defendants are: Geon Industries, Inc. ("Geon"); George O. Neuwirth, Geon's founder, chief executive officer, Chairman of the Board of Directors, and owner (together with other members of his family) of approximately 28% of the common stock of Geon; Frank Bloom, Geon's Secretary-Treasurer and Financial Vice President; James McMahon, Comptroller of a wholly-owned Geon subsidiary, Geon Intercontinental, Inc. ("GII"); Edwards & Hanly ("Edwards"), a broker-dealer in securities; Marvin Rauch, a registered representative at Edwards; and Roy and Irving

Alpert, partners in a Long Island real estate firm and personal friends of George Neuwirth. Jurisdiction is alleged pursuant to section 22(a) of the Securities Act (15 U.S.C. §77v(a), and section 27 of the Exchange Act (15 U.S.C. §78aa).

By Notice of Motion filed on May 17, 1974 the SEC moved for a preliminary injunction to enjoin defendants Geon, Edwards, Neuwirth, Bloom, McMahon, Rauch, and the Alperts from alleged further violations of section 17(a) of the Securities Act (15 U.S.C. §77q(a)), section 10(b) of the Exchange Act (15 U.S.C. §78j(b), and Rule 10b-5 (17 C.F.R. §240.10b-5) promulgated thereunder. The SEC also moved for a preliminary injunction to enjoin defendants Rauch and McMahon from alleged further violations of sections 7(c) and 7(f) of the Exchange Act (15 U.S.C. 78g(c) and (f)), Regulation "T" (12 C.F.R. §220), and Regulation "X" (12 C.F.R. §224) promulgated thereunder. A hearing was held on June 17, 18, 19, 20, 21, and 27, 1974. Pursuant to an agreement among the parties, the SEC's motion for a preliminary injunction has been deemed consolidated with the SEC's prayer for a permanent injunction. On June 17, 1974 (the first day of the hearing), defendants Rauch, McMahon, Roy Alpert, and Irving Alpert advised the Court that they each would consent to the entry of a permanent injunction against them, and accordingly final judgments of permanent injunctions by consent were entered against McMahon and the

Alpert on July 1, 1974 and against Rauch on July 30, 1974. Thus, in the only defendants remaining/this action are: Neuwirth, Bloom, Geon, and Edwards.

The Factual Background

Geon is a New York corporation with its principal offices located in Woodbury, New York. It is engaged primarily in the business of distributing automobile repair and replacement parts for imported cars and trucks. Its common stock is listed for trading on the American Stock Exchange ("AMEX"); approximately 2 million shares of common stock are outstanding.

In July, 1973 Geon retained Drexel-Burnham & Co. with a view to arranging discussions with Burmah Oil Co., Ltd. ("Burmah") concerning the possible merger of the two companies. Geon's and Burmah's representatives met at various times during August and September. During August, Geon furnished Burmah with a five-year earnings projection and other documentary information.

On October 15, 1973 defendants Neuwirth and Bloom went to London, England to attend an international motor show; during their two-week stay in England, they had meetings with representatives of Burmah's top management. On December 3, 1973 Geon announced that preliminary discussions between Geon and Burmah were under way, and on December 20, 1973 Geon announced that it

had reached an agreement in principle with Burmah whereby Geon was to be acquired by Burmah for \$36 million in cash (approximately \$16.80 per share).

Following this announcement, Geon's and Burmah's representatives and their legal counsel began drafting the purchase agreement. On February 15, 1974, a meeting of Geon's Board of Directors was scheduled for February 21, 1974 for the purpose of obtaining the Board's formal approval of the written agreement. In preparation for the Board meeting, Bloom instructed his accounting staff to compile preliminary earnings figures for the year ended December 31, 1973. Bloom learned on the morning of February 21, 1974 that the reversal of a profit elimination from a previous period in the amount of \$314,000 had been improperly reflected in income for the year 1973. Bloom also learned that preliminary figures indicated (even after correcting the \$314,000 error) that Geon would have an earnings shortfall of approximately \$800,000 or \$900,000 for the year 1973.

At the Board meeting that afternoon, Bloom reported these preliminary figures to the Board of Directors, who deferred action. Bloom was instructed to review the earnings figures and report back to the Board on Sunday evening, February 24, 1974.

After the meeting on February 21, 1974, which was held at the offices of Geon's attorneys in Manhattan, Bloom returned

to Geon's offices in Woodbury, Long Island. By 10:30 P.M. he had become certain that the \$314,000 item had been improperly included in earnings, and he telephoned Neuwirth to report that to him. At the time he left the offices of Geon (after midnight), however, Bloom was still uncertain about the additional \$800,000 or \$900,000 shortfall in earnings. Defendant McMahon, who had been working with Bloom, also left the Geon offices after midnight, and later that night he telephoned his broker, defendant Rauch, and instructed him to sell all his Geon holdings. At 8:00 A.M. on February 22, 1974 Rauch telephoned McMahon to confirm the sell order. In that conversation McMahon told Rauch that he wanted out of Geon stock. Shortly after this conversation, a sell order was called in from the Hewlett, Long Island office of Edwards (where Rauch was employed) directly to the floor of the AMEX with respect to all the Geon stock in the accounts of McMahon and McMahon's father-in-law, Louis Maione. Because of an unusually large amount of sell orders, the AMEX floor official with responsibility for supervising the market in Geon stock decided not to open trading in Geon stock until the company had been contacted to determine if there was an explanation for the large number of sell orders. Randy Gromet (an official at AMEX) telephoned Bloom, who immediately telephoned Geon's attorneys before taking the call from Gromet. Bloom was advised to tell Gromet that Geon had no public

announcement to make at that time. Shortly thereafter, at 10:33 A.M. trading opened in Geon stock at 14-3/8. Trading continued until 11:19 A.M. when the price fell to 11-7/8 on a volume of 46,000 shares.

On Sunday, February 24, 1974 the Board met and learned that in fact there was an approximate \$800,000 shortfall in earnings for 1973 at Geon's branches. * This was later disclosed to the public by Geon in a press release issued on Monday morning, February 25, 1974. (In July, 1974, according to the press, Burmah terminated its agreement to acquire Geon, and Geon has instituted legal proceedings against Burmah.)

Each of the defendants against whom the SEC seeks an injunction will be considered separately.

GEORGE O. NEUWIRTH

The SEC contends that during the period prior to December 3, 1973 defendant Newirth provided defendants Rauch and Roy Alpert with a "continuous flow of material non-public information regarding the fact and progress of the discussions [with Burmah];"

* Geon's divisions and subdivisions are referred to as "individual profit centers." They include the east coast warehouse, the west coast warehouse, the east coast branches, the west coast branches, Geon International Corporation, American Aviation Mfg. Corporation, and Geon G.M.B.H.

that during January and February of 1974, Neuwirth continued to keep defendants Rauch and Roy Alpert apprised of the progress of the Burmah deal; that the Alperts made two purchases of Geon stock (4625 shares from October 15 to October 18, 1973 and 3000 shares on December 19, 1973) and one sale of Geon stock (8000 shares on February 22, 1974) while in possession of material inside information from defendant Neuwirth. The SEC further contends that defendant Rauch bought and sold Geon stock on numerous occasions from October, 1973 through February 22, 1974 while in possession of material non-public information from Neuwirth.

Neuwirth contends that whatever information was disclosed was not material non-public information within the meaning of the securities laws, but rather only vague, general, and innocuous comments.

At the hearing it was brought out that Neuwirth and Roy Alpert had known each other for about 15 years and that sometime prior to October 15, 1973 they were together in the bar of the Fresh Meadow Country Club, where Neuwirth told Alpert and others that he was going to England to an automobile show "and perhaps looking at some people in view of a merger." Roy Alpert testified that he purchased 2600 shares of Geon stock around October 15, and that this information was one of the reasons for his decision to buy the stock. His only other purchase of Geon stock had been a

purchase of 250 shares in 1969 in Geon's initial public offering. Between October 15 and October 18, 1973 Roy Alpert and his two brothers purchased a total of 4625 shares.

The Alperts' next purchase of Geon stock (3000 shares) was made on December 19, 1973. Prior to that, Neuwirth had told Roy Alpert that he could not attend his own birthday party, planned for December 17, because he was staying in New York City and was too busy with his business commitments.

Neuwirth testified that on February 20, 1974 at their weekly dinner with their wives, he mentioned to Alpert that the next day the Geon Board of Directors was going to meet to "rubber stamp" a contract with respect to the Burmah-Geon deal. Alpert testified that he assumed Neuwirth would call him if the deal was going through; Neuwirth testified, however, that there was no discussion of such a plan. In any event, when Alpert heard nothing from Neuwirth by Friday morning, February 22, 1974, he and his brothers decided to sell 1/2 (or about 4000 shares) of their Geon stock. After that order was executed, the Alperts sold their remaining 4000 shares.

Rauch declined to testify at the hearing, asserting his Fifth Amendment rights. Neuwirth testified that he knew Rauch was a broker and that he was trading in Geon stock. He also testified that Rauch telephoned "rather frequently" and that in November,

1973 Rauch had insisted on having lunch with him. Neuwirth testified that Rauch asked "broker's questions" about Geon though Neuwirth did not recall in detail what those questions were or what answers he gave. After the luncheon meeting Neuwirth received two bottles of liquor from Rauch as a gift. Around November 30, 1973 Neuwirth testified that he telephoned Rauch at his home, though he testified that he did not have the faintest recollection of what was said in that conversation.

As the Court of Appeals recently reiterated in SEC v. Shapiro, 494 F.2d 1301 (2d Cir. 1974):

"Facts are material for purposes of Rule 10b-5 if a 'reasonable investor might have considered them important in the making of [an investment] decision.' Affiliated Ute Citizens of Utah v. United States, 406 U.S. 128, 154, ... (1972). See also Mills v. Electric Auto-Lite Co., 396 U.S. 375, ... (1970). Whether facts relating to a future event are material depends 'upon a balancing of both the indicated probability that the event will occur and the anticipated magnitude of the event in light of the totality of the company activity.' SEC v. Texas Gulf Sulphur Co., 401 F.2d 833, 849 (2d Cir. 1968) (en banc), cert. denied, 394 U.S. 976, ... (1969)." 494 F.2d at 1305-06.

In the present case it is significant that the Alpersts' purchases or sales all coincided with significant events in the Burmah-Geon negotiations. At the time of the October purchase Roy Alpert knew that Neuwirth was planning a trip to England to discuss a possible merger or acquisition. It was during this trip

that Neuwirth was to meet Burmah's top management personnel concerning the negotiations. The Alperths' purchases in December were immediately prior to Geon's announcement of an agreement in principle with Burmah. The Alperths' sales in February, 1974 occurred the day after Geon's Board had met and failed to approve and announce the signing of the contract with Burmah. Moreover, Neuwirth and Roy Alpert were long-time friends and they had frequent social encounters. Roy Alpert's only purchase of Geon stock prior to the October purchases was in 1969, at the time of Geon's initial public offering, when he purchased only 250 shares. In contrast, the October and December purchases were for much larger amounts and were made almost immediately after conversations with Neuwirth in which Neuwirth's plans and business commitments were mentioned. In each case Roy Alpert also advised his brothers to purchase Geon stock. As the Court of Appeals said in Shapiro:

"In Texas Gulf Sulphur, supra, 401 F.2d at 851, the court found this type of evidence [that the alleged tippees purchased substantial amounts of stock after receiving inside information] 'highly pertinent' and 'the only truly objective evidence of the materiality of the inside information.'" 494 F.2d at 1307.

On the basis of the foregoing, the Court finds that defendant Neuwirth violated section 10(b) of the Exchange Act and Rule 10b-5 with respect to the furnishing of material non-public information to Rauch and Roy Alpert during the period alleged in

the complaint. See SEC v. Lum's, Inc., 365 F.Supp. 1046, 1057-61 ^{SONY} (1973). Since there exists a reasonable likelihood that future violations might occur, the Court finds that the SEC is entitled to the entry of a preliminary and permanent injunction against future violations of the securities laws as to defendant Neuwirth.

FRANK BLOOM

The SEC contends that defendant Bloom made misrepresentations to Randy Gromet of the AMEX when Gromet telephoned on February 22, 1974 to determine what information Geon might have to explain the large number of sell orders with respect to Geon's stock. The SEC contends that Bloom omitted to tell Gromet of the discovery of the \$314,000 error and that Bloom did not disclose to Gromet certain preliminary information which tended to indicate an approximate \$800,000 shortfall in Geon's 1973 earnings.

With respect to his conversation with Gromet on February 22, Bloom testified that when Gromet telephoned him, he put him on "hold" and immediately telephoned John Friedman, of the law firm of Kaye, Scholer, Fierman, Hays & Handler (Geon's attorneys). Bloom told Friedman that Gromet was on the other line and that he did not know why Gromet was calling. Friedman asked if Bloom knew anything more about the possible error of \$314,000 or the earnings shortfall of \$800,000 than he had known the evening before. Bloom said no. Friedman then told him to tell Gromet that Geon had no

public announcement to make that day. Bloom then accepted the call from Gromet, who advised him that there was a substantial imbalance of sell orders in Geon stock. During the conversation, Bloom told Gromet that Geon would have no public announcement to make that day.

Gromet testified with respect to the telephone conversation that his first question to Bloom was whether there were any corporate developments which would account for the market activity, or if there was any change in the status of the proposed Burmah merger which ^{would} ~~was~~ account for the sell orders of the stock. Bloom said that there was no change in the status of the proposed merger transaction and that there were no developments at the company which would account for the sell orders. After glancing at his Geon file, Gromet asked Bloom why it had taken so long to reach a signed agreement. Bloom responded that it was one thing to have informal discussions and another thing to sit down and iron out a definitive contract. Gromet further testified that he asked Bloom again if anything was pending and Bloom assured him that the company had no announcement to make.

Bloom is a certified public accountant and has been employed by Geon since 1969; he is presently Geon's Financial Vice President.

Toward the end of 1973 Geon anticipated that it would earn approximately \$3.8 million before taxes for the year 1973;

these figures were furnished to Burmah during the negotiations concerning the possible merger in late 1973 and early 1974. To attain those earnings, Geon had calculated that it would need a gross profit percentage at the east coast warehouse of approximately 36%. During the week preceding the February 21, 1974 meeting, preliminary figures indicated a profit percentage of 41%. When the error in the figures of \$314,000 was discovered on the morning of February 21, 1974, this percentage was reduced to 37-1/2%, which was still higher than necessary to meet Geon's anticipated earnings for 1973. When the audit conducted by Geon's independent certified public accountants, Arthur Andersen & Co., was completed in March of 1974 and an audit adjustment of a cutoff error was made, the actual and final gross profit percentage at the east coast warehouse was determined to be 39%.

With respect to the possible \$800,000 earnings shortfall, Bloom testified that at first he thought it was "absolutely ridiculous" since Geon had never before experienced a gross profit problem either at the warehouses or at the branches, and also since the running estimates of profits which were kept during the year had given no indication that profits would be so far off. At the time of the conversation with Gromet, Bloom was still uncertain about the accuracy of the figures showing a possible \$800,000 earnings shortfall.

Having heard the testimony of the two witnesses to the conversation, the Court does not find that Bloom violated the securities laws with respect to his conversation with Gromet on February 22, 1974. The evidence brought out at the hearing shows that Bloom acted in good faith and in a careful and reasonable manner in attempting to check the accuracy of the preliminary figures indicating a \$314,000 error and the possible \$800,000 earnings shortfall. Indeed, final calculations showed that the \$314,000 error by itself had no adverse bearing on Geon's ability to meet its anticipated 1973 earnings and to conclude the deal with Burmah since the east coast warehouse's final profit percentage was higher than anticipated, even with the \$314,000 error. With respect to the earnings shortfall, when it was determined that Geon would in fact fall short of anticipated earnings, a public statement to that effect was promptly disseminated. However, as of the morning of February 22, Geon had only raw, unverified information, which might have been misleading had it been made public. Moreover, it is significant that Bloom sought and followed the advice of counsel in telling Gromet that Geon would have no public announcement to make on February 22, 1974.

In view of the foregoing, the Court finds that the SEC has failed to show that Bloom was negligent with respect to the statements he made to Gromet on February 22, 1974 or that he

violated the securities laws. Since the evidence at the hearing indicates that Bloom acted with reasonable care and prudence, there is no basis for an injunction against him, and accordingly, defendant Bloom is entitled to judgment dismissing the complaint as to him.

GEON

The SEC contends that Geon is liable and responsible for the acts and alleged neglects of Neuwirth, its chairman of the Board; Bloom, its Financial Vice President; and McMahon, the controller of its major operating subsidiary.

The evidence at the hearing discloses that Neuwirth had frequent conversations with securities analysts and with brokers during the period alleged in the complaint. The evidence also disclosed that Rauch in particular had numerous opportunities for acquiring inside information from Neuwirth, which information he could have / used in his trading of Geon stock. There was no evidence that Geon had devised any procedures to prevent the misuse and illegal dissemination of material non-public information.

Since a corporation can only act through its officers and directors, the Court finds that Geon is liable here for the violations of its chief executive officer, George Neuwirth. See SEC v. Lum's, Inc., 365 F.Supp. 1046 (S.D.N.Y. 1973). See also

Affiliated Ute Citizens v. United States, 406 U.S. 128 (1972);
Lanza v. Drexel & Co., 479 F.2d 1277 (2d Cir. 1973). Accordingly,
the SEC is entitled to the entry of a judgment granting a pre-
liminary and final injunction against future violations of the
securities laws as to defendant Geon.

EDWARDS

The SEC contends that Edwards is liable for the acts of
its employee, defendant Rauch, in that Edwards failed properly to
supervise his conduct as a registered representative and failed to
discover his commission of violations of the securities laws.
Edwards, on the other hand, contends that it established procedures
which would reasonably be expected to prevent and detect violations
by its registered representatives and that it followed those pro-
cedures.

Edwards has devised detailed compliance manuals, which
its personnel are required to maintain and study. Each registered
representative has his own copy of "A Guide for Opening and
Managing Accounts for Account Executives," and classes are held
from time to time to review it. When Rauch came to work for
Edwards in August, 1973, he had had substantial experience in the
securities business as a registered representative at Philips,
Appel & Walden, Inc. Mr. Rosenfeld (Manager of the Hewlett office

where Rauch was employed) testified that he had checked with the Branch Manager and the Compliance Director at Philips, Appel & Walden about Rauch and had been told that his record was "perfectly clean" and that they would "love to have him back at any time." Nevertheless, like all other new registered representatives, Rauch was given a copy of the registered representative's manual and instructed to become familiar with it. He attended classes given by Mr. Rosenfeld. On at least one occasion while he was at Edwards, Rauch was monitored by three members of the Compliance Staff, who sat with him for up to a half hour and questioned him about his familiarity with the manual and its specific rules.

Before coming to Edwards, Rauch had engaged in trading Geon stock. While at Philips, Appel & Walden he had accumulated in personal and customer accounts around 25,000 to 30,000 shares of Geon stock. Edwards had a policy against solicitation by registered representatives of stocks that were selling for under \$15.00; since Geon was selling for under \$15.00 when Rauch first came to Edwards, he had to gain approval for solicitations of further orders. Rosenfeld testified that oral approval was obtained when Rauch first began working at Edwards and that written approval followed in October, 1973.

It was brought out at the hearing that some of the

information recorded on the account forms with respect to the accounts of McMahon and Maione was not accurate and that the signed account forms were not received by Edwards prior to trading taking place in those accounts. However, Mr. Rosenfeld testified that Edwards relies on the integrity of its registered representatives to obtain necessary information about its customers and to see that signed account forms are obtained. Mr. Rosenfeld also testified about his spot checking of the work of the registered representatives and about Edwards' review of those accounts in which there is unusual activity. The evidence indicates that these procedures were thorough and conscientiously applied.

Mr. Rosenfeld testified that he was aware that Rauch made telephone calls to Geon, but he testified that he never knew that Rauch was receiving anything other than general public relations information. Indeed, the only direct evidence that Rauch received and acted upon illegal inside information was the evidence of McMahon's telephone call to Rauch in the early morning of February 22, 1974 and the evidence that later that morning he placed sell orders for all the Geon stock in the accounts of McMahon and Maione. Mr. Rosenfeld testified that he had asked Rauch about why the opening in Geon stock was delayed that morning and that Rauch had answered that he did not know why.

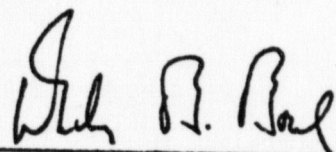
It was brought out at the hearing that on March 4, 1974 Edwards cancelled all trades based on Rauch's inside information. With respect to sales of Geon stock made out of the Hewlett office on February 22, 1974, Edwards cancelled the trades and absorbed 3000 shares into its own error account, which resulted in a loss to Edwards of \$12,500 when the stock was later sold. Moreover, when definitive proof of Rauch's wrongdoing was adduced, Edwards promptly discharged Rauch.

In view of the foregoing, the Court finds that Edwards acted in good faith and that the evidence fails to establish that Edwards participated in or knew of Rauch's misconduct or that Edwards did not exercise reasonable supervision over Rauch. Accordingly, there is no basis for an injunction against Edwards, see SEC v. Lum's, Inc., supra at 1064-65, and Edwards is entitled to judgment dismissing the complaint as to it.

The foregoing constitutes the Court's findings of fact and conclusions of law. Rule 52(a), Fed. R. Civ. P.

Settle judgment on notice.

Dated: New York, N.Y.
September 20, 1974



U. S. D. J.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION :

Plaintiff, :

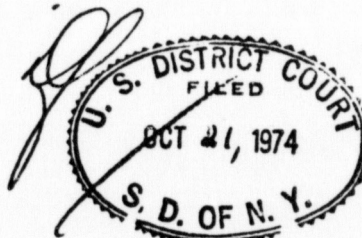
-against- :

GEON INDUSTRIES, INC., GEORGE O. :
NEUWIRTH, FRANK BLOOM, JAMES :
McMAHON, EDWARDS & HANLY, MARVIN :
RAUCH, ROY ALPERT, AND IRVING :
ALPERT, :

Defendants. :

74 Civ. 1496 (D.B.B.)

JUDGMENT



This action having come on for trial before the Court, Hon. Dudley B. Bonsal, District Judge, presiding, and the Court having rendered its decision in writing dated September 20, 1974 containing therein the Court's findings of fact and conclusions of law, and having found that the defendants Geon Industries, Inc., and George O. Neuwirth violated Section 10(b) of the Securities Exchange Act and Rule 10b-5 thereunder, and that the Securities and Exchange Commission is entitled to the entry of a judgment granting a preliminary and permanent injunction against Geon Industries, Inc. and against defendant George O. Neuwirth, it is hereby

ORDERED, ADJUDGED AND DECREED that defendants Geon Industries, Inc., George O. Neuwirth, their officers, agents, servants, employees and each of them and those persons acting in concert or participation with them, be and they are hereby preliminarily and permanently enjoined from future violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder by, directly or indirectly, in connection with the offer, purchase, or sale of securities, issued or to be issued, by defendant Geon Industries, Inc., its subsidiaries or affiliates, or the securities of any other issuer, making use of the means and instrumentalities of interstate commerce or of the mails to:

- A. employ any device, scheme or artifice to defraud;
- B. make any untrue statements of material facts or omit

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to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

- C. engage in any act, practice or course of business which operates or would operate as a fraud or

deceit upon any person by, ~~including, but not~~ and which involves

~~limited to:~~

^{the purchase or sale, or offer}

~~(1) purchasing and selling, and offering~~

to purchase or sell, securities of

Geon Industries, Inc., or the securities

of any other issuer while in possession

of material non-public information, ^{or} ~~con-~~

~~cerning, among other things, the status~~

~~of negotiations between Geon Industries,~~

~~Inc. and Burnash Oil Co. or the status~~

~~of negotiations between any other~~

~~issuers, persons, or other entities, and/or~~

~~material corporate developments or the~~

~~financial condition of Geon Industries,~~

~~Inc. or any other issuer regarding,~~

~~among other things, earnings and~~

~~profitability;~~

^{the dissemination of}

~~(2) disseminating material non-public~~

information concerning, among other

things, matters referred to in sub-

paragraph (1) above, with respect to

Geon Industries, Inc. or any other

issuer to persons in a position to use

such information in connection with the

purchase or sale of securities without,

prior thereto, making such information

available to the investing public generally, or

JRS

~~(2) failing to adequately supervise and
control the activities of their
employees or agents,~~

in violation of Section 10(b) of the Securities Exchange Act, and Rule 10b-5 promulgated thereunder.

Defendants Frank Bloom and Edwards & Hanly are entitled to judgment dismissing the complaint as to them.

NOW, on motion of the Securities and Exchange Commission, it is

ADJUDGED that the judgment of preliminary and permanent injunction be granted as against Geon Industries, Inc. and George O. Neuwirth and that the complaint be and the same hereby is dismissed against defendants Frank Bloom and Edwards & Hanly.

Dated: October 15th, 1974
New York, New York

John A. Bond
U.S.D.J.

JUDGMENT ENTERED: - 10-21-74

Raymond F. Burgardt
CLERK

ONLY COPY AVAILABLE

FOR IMMEDIATE RELEASE

Monday, December 3, 1973

For Confirmation Contact:

Frank Bloom at
516 921 8000 or
212 895 9100

or

John A. Friedman or
Joseph G. Connolly
at PL 9 8400

Geon Industries, Inc. (AMEX) announces today that it is engaged in preliminary discussions looking to the possible acquisition of Geon by Burmah Oil Incorporated, a US subsidiary of The Burmah Oil Company Limited, a United Kingdom based company for a consideration which would be in excess of the present market value of Geon stock. The discussions are still in an early stage. The Company emphasizes that no understanding on price has been reached; neither is there any assurance that any agreement will be reached. Geon has approximately 2,070,000 shares outstanding.

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
JUN 17 1974

December 18, 1973 - as dictated to Dow Jones. John Larkin indicated this release ran on the tape in substantially the same form and at 1:50 P.M.

~~6991-1~~
6-191-78

Geon Industries, Inc. (AMEX) which announced on December 2, 1973 that it was engaged in preliminary negotiations looking to the possible acquisition of Geon by a subsidiary of The Burmah Oil Company Ltd. said today that in response to inquiries that its negotiations with Burmah are continuing. Geon said that it expected to make a further announcement based upon developments in the negotiations probably by the end of the week.

ST C ch-144
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

JUN 17 1974

TD.
J

December 20, 1973

For Confirmation Call:

Frank Bloom
Secretary-Treasurer
Geon Industries, Inc.
(516) 921-8000

FOR IMMEDIATE RELEASE

Geon Industries, Inc. (Amex) announced today that its Board of Directors has approved an agreement in principle with Burmah Oil Incorporated for the acquisition of Geon by Burmah for a price of \$36 million in cash, which after the payment of expenses related to the acquisition will be approximately \$16.80 per share. Geon said that the transaction is subject to the preparation and execution of a definitive agreement and other conditions, including necessary United Kingdom approvals.

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

JUN 17 1974

HD
3

	Initials	Date
Prepared By		
Approved By		

GEON INTERCONTINENTAL CORP.

Revised Inter + Intra Co Profit Sum.

DEC 31 1973

	1	2	3	4	5	6	
	Begin Inventory	End Inventory	Inventory Change	Geon Purchases	Total Purchases	Profit Sum	
1 <u>INTRA</u>							1
2							2
3 <u>WDBY BRANCHES</u>	5564311	5182313	<381998>	3550607	5984346		3
4					59.3% x 395	<89477>	4
5						31314	5
6						223664	6
7							7
8							8
9							9
10							10
11 <u>INTER</u>							11
12							12
13 <u>DELAWARE</u>	45318	70695	25377	77777	105779		13
14							14
15 <u>ICP of Penn</u>	344689	411168	66479	422930	680022		15
16							16
17 <u>P.TIS</u>	192492	215958	23466	171976	289210		17
18							18
19 <u>ICP of Spring</u>	468770	656669	187899	529337	869648		19
20							20
21 <u>So. Pac</u>	515873	686925	171052	656854	1433016		21
22							22
23 <u>BAKER</u>	209235	248335	39090	91973	243395		23
24							24
25 <u>ICS</u>	333466	435414	101948	303570	485521		25
26							26
27	2109843	2735154	625311	2254367	406591		27
28					54.9%	133433	28
29							29
30							30
31 <u>WDBY Physical Branches</u>		5162975					31
32 <u>AUDIT JURY</u> (317)		23601		SALOS		10637289	32
33 (330)		22137					33
34 (348)		<117400>		COS		6122665	34
35 (379)		<11000>		Perof Yr Cum		313141	35
36 (360)		2000					36
37		<u>5182313</u>		Geon Profit		4201483	37
38						395	38
39							39
40							40
41							41
42							42
43							43
44 (5)							44

GEON INDUSTRIES, INC.

GEON INDUSTRIES, INC.

12-31-73

EXHIBIT

12-31-73

	GEON INDUSTRIES, INC.	GEON INDUSTRIES, INC.	IMPORT CIR	BR/GEON OF DELAWARE	BR/GEON OF PENN	BR/GEON OF PA	BR/GEON OF STRAUS	BR/GEON OF DIST. INC	IMPORTED BY RICO PARTS	BR/GEON OF TEXAS	GEON INTERNATIONAL CORP	AMERICAN NATIONAL GAITHER	ELIOTT	CONSUL	CONSUL
NET SALES	33552754		675344	178354	736539	424166	1137504	1768895	366595	1377344	5507987	4664643	475034	(1324770) (432496) (254367)	47897049
COST OF SALES	18604721		400414	86683	626564	276143	69915	1306460	212624	914164	4156814	2995995	414106	(1324770) (432496) (254367)	27916069
GROSS PROFIT	14948033		274930	91671	309975	153023	438353	462435	153971	464018	1247153	1604648	6724	(1324770) (432496) (254367)	19980980
% TO NET SALES	44.4		40.7	51.4	53.1	55.7	38.5	36.1	42.0	55.7	22.7	34.9	16.4	(1324770) (432496) (254367)	41.7%
OPERATING EXPENSES:															
BRANCH EXPENSES	6719444		223440	69270	300605	147060	401453	463270	100659	345000			98784		8873529
% TO NET SALES	19.9		3.3	3.9	4.1	3.5	3.5	3.6	2.7	3.4			0.2		22.2%
WAREHOUSE	165876														
% TO NET SALES	0.5														
SELLING	1154827														
% TO NET SALES	3.4														
OFFICE	177000	1800536													
% TO NET SALES	0.5	5.4													
GENERAL AND ADMINISTRATIVE	213137														
% TO NET SALES	0.6														
TOTAL OPERATING EXPENSES	177000	11563824	223440	69270	300605	147060	401453	463270	100659	345000	946263	1116325	98784		185013
% TO NET SALES	0.5	34.5	3.3	3.9	4.1	3.5	3.5	3.6	2.7	3.4	2.6	3.0	0.2		5.2%
INCOME FROM OPERATIONS	(177000)	3284461	51494	22406	4370	546	3640	(835)	53312	116018	300890	491273	(1324770) (432496) (254367)	(1324770) (432496) (254367)	308424
% TO NET SALES	(0.5)	9.8	7.6	1.3	0.6	0.1	0.3	(0.2)	1.5	3.4	0.5	0.3	(0.3)	(0.3)	0.9%
INTEREST AND BANK CHARGES	1554644		2187	4235	6145	3	320	5767	5347		67914	17519	305		(182919)
% TO NET SALES	0.5		0.0	0.2	0.8	0.0	0.0	0.2	0.1		0.2	0.0	0.0		0.4%
OTHER INCOME OR (EXPENSE) NET	160504		(5045)	(111)	(1601)	4307	(71)	869	(1170)	1252	85331	(17506)	40105		274615
% TO NET SALES	0.5		(0.1)	(0.0)	(0.2)	0.1	(0.0)	0.2	(0.3)	0.0	2.4	(0.4)	0.1		0.8%
INCOME BEFORE PROVISION FOR FED. AND ST. INCOME TAX	177000	1409421	44210	18070	1674	10257	36249	(5733)	46795	117261	318103	457236	9894	(1324770) (432496) (254367)	2633308
% TO NET SALES	0.5	4.2	6.6	1.0	0.2	0.0	0.3	(0.2)	0.1	3.4	8.9	12.8	0.1	(0.3)	13.4%
FEDERAL AND STATE INCOME TAXES	3500	84760	19400	9200	800	5000	22306	(2760)	22000	51200	105000	122000	4920		1214300
% TO NET SALES	0.0	0.2	2.9	5.1	0.1	0.0	0.2	(0.8)	6.0	14.9	23.6	17.6	0.1		3.0%
NET INCOME (LOSS)	(142500)	1042161	24810	8870	874	5257	13949	(2953)	24795	66061	213103	335236	4974	(1324770) (432496) (254367)	1419008
% TO NET SALES	(0.4)	3.1	3.6	5.0	0.1	0.1	0.1	(0.8)	6.8	19.0	38.7	20.9	0.1	(0.3)	7.1%
EARNINGS PER SHARE - COMMON - PRIMARY															
EARNINGS PER SHARE - COMMON - FULLY DILUTED															
WEIGHTED AVERAGE NUMBER OF SHARES - PRIMARY															
WEIGHTED AVERAGE NUMBER OF SHARES - FULLY DILUTED															

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GEON INDUSTRIES, INC.

BALANCE SHEET

YEAR ENDED 12/31/73

Pro forma

	<u>12/31/73</u>
CASH	2,600,000
RECEIVABLES (NET)	8,000,000
INVENTORY	19,900,000
PREPAID & OTHER	<u>1,200,000</u>
TOTAL CURRENT	<u>31,700,000</u>
FIXED ASSETS (NET)	2,990,000
GOODWILL	783,000
OTHER	<u>115,000</u>
TOTAL ASSETS	<u><u>35,588,000</u></u>
NOTES PAYABLE - CURRENT	8,975,000
CURRENT LEASEHOLD	172,000
CONVERTIBLE DEBT	184,000
TRUST RECEIPTS	1,000,000
DRAFTS & ACCOUNTS	3,000,000
MORTGAGE, TAXES & OTHER	<u>1,164,000</u>
TOTAL CURRENT	<u>14,495,000</u>
NOTES PAYABLE - LONG TERM	6,200,000
LONG TERM LEASEHOLD	140,000
CONVERTIBLE DEBT	304,000
MORTGAGE & OTHER	<u>410,000</u>
TOTAL LIABILITIES	<u>21,579,000</u>
STOCK	207,000
CAPITAL SURPLUS	6,554,000
RETAINED EARNINGS	<u>7,248,000</u>
SHAREHOLDERS' EQUITY	<u>14,009,000</u>
TOTAL LIABILITIES & CAPITAL	<u><u>35,588,000</u></u>

GEON INDUSTRIES, INC.
 PRO-FORMA INCOME STATEMENT
 YEAR ENDED 12/31/73

<u>SALES</u>	<u>Y/E</u> <u>12/31/73</u>
WAREHOUSE	7,990,000
EXISTING DISTRIB. }	28,210,000
NEW DISTRIB. }	
ULTRA	620,000
ELAN	600,000
G.M.B.H.	<u>900,000</u>
TOTAL IMPORT	38,320,000
AUTOMOTIVE EXPORT	5,300,000
AVIATION EXPORT	<u>4,500,000</u>
TOTAL SALES	<u>48,120,000</u>
GROSS PROFIT @ 43%	<u>20,692,000</u>
<u>EXPENSES</u>	
SALARIES	7,618,000
DEPR. & AMORT.	334,000
INTEREST	1,181,000
ALL OTHER	<u>7,805,000</u>
TOTAL EXPENSES	<u>16,938,000</u>
PRE-TAX INCOME	3,754,000
TAX PROVISION @ 47.5%	<u>1,783,000</u>
NET INCOME	<u><u>1,971,000</u></u>

6991-78

BY MESSENGER

TO: The Board of Directors of
Geon Industries, Inc.

DATED: February 15, 1974

Please take notice that a special meeting of the Board of Directors will be held on Thursday, February 21, 1974 at 3:30 p.m. at the offices of Kaye, Scholer, Fierman, Hays & Handler (15th floor conference room), 425 Park Avenue, New York, New York to consider the proposed purchase agreement and related agreements covering the purchase by Burmah Oil Incorporated of the assets of Geon Industries, Inc. Enclosed is the latest draft of the purchase agreement. Geon's management and counsel have not yet had an opportunity to review this draft, but will be prepared to present their comments at the Board of Directors meeting. Other related documents and material will be delivered to the members of the Board on Tuesday, February 19, 1974.

Frank Bloom
Secretary

Directors: George O. Neuwirth
Peter H. Neuwirth
Michael Pisciotta
Otto Hays
Seymour Shakin
Robert Barbanell
Russell H. Morrison, Jr.
Saul Duff Kronovet, Esq.

cc: Frank Bloom
John A. Friedman, Esq.
Lewis J. Korman, Esq.
Solomon L. Warhaftig, Esq.

7.2.5 Consolidated net income, exclusive of extraordinary items and before Federal income taxes, of Seller and the Subsidiaries as reflected in the audited consolidated statement of income of Seller for the twelve-month period ending December 31, 1973 referred to in Section 4.5(b) hereof shall equal or exceed \$3,847,000.

7.2.6 The consolidated net worth of Seller and the Subsidiaries as reflected in the audited consolidated balance sheet of Seller at December 31, 1973 referred to in Section 4.5(b) hereof shall equal or exceed \$14,000,000.

7.2.7 Purchaser shall have entered into employment contracts effective on the Closing Date with

and

in the form attached hereto as Exhibit C.

7.3 Additional Conditions Precedent to the Obligations of Seller. The obligations of Seller to consummate the transactions contemplated hereby are subject to the fulfillment, at or prior to the Closing Date, of each of the following additional conditions precedent:

7.3.1 All representations and warranties of Purchaser shall be true at and as of the effective date with the same effect as though such representations and warranties had been made at and as of such time, and Purchaser

other than New York, may rely upon opinions of other counsel which shall be satisfactory to Purchaser. Copies of such certificates and such other opinions will be furnished to Purchaser concurrently with delivery of the opinion of such counsel.

7.2.5. Consolidated net income, exclusive of extraordinary items and before Federal income taxes, of Seller and the Subsidiaries as reflected in the audited consolidated statement of income of Seller for the twelve-month period ending December 31, 1973 referred to in Section 4.5(b) hereof shall equal or exceed \$3,847,000.

7.2.6. The consolidated net worth of Seller and the Subsidiaries as reflected in the December 31, 1973 Balance Sheet shall equal or exceed \$14,000,000.

7.2.7. Within 15 days after receipt of the financial statements referred to in Section 4.5(b) hereof, Purchaser shall not have advised Seller in writing that in its judgment the information contained in such financial statements reflects such changes in the assets or business of Seller or that the composition of the inventory reflected in such financial statements is such as, in either case, to render the consummation of the transactions contemplated by this Agreement inadvisable to Purchaser.

other than New York, may rely upon opinions of other counsel which shall be satisfactory to Purchaser. Copies of such certificates and such other opinions will be furnished to Purchaser concurrently with delivery of the opinion of such counsel.

7.2.5. Consolidated net income, exclusive of extraordinary items and before Federal income taxes, of Seller and the Subsidiaries as reflected in the audited consolidated statement of income of Seller for the twelve-month period ending December 31, 1973 referred to in Section 4.5(b) hereof shall equal or exceed \$3,847,000.

7.2.6. The consolidated net worth of Seller and the Subsidiaries as reflected in the December 31, 1973 Balance Sheet shall equal or exceed \$14,000,000.

7.2.7. Within 15 days after receipt of the financial statements referred to in Section 4.5(b) hereof, Purchaser shall not have advised Seller in writing that in its judgment the information contained in such financial statements reflects such changes in the assets or business of Seller or that the composition of the inventory reflected in such financial statements is such as, in either case, to render the consummation of the transactions contemplated by this Agreement inadvisable to Purchaser.

FOR IMMEDIATE RELEASE

Monday February 25, 1974

For confirmation call:

J. Friedman, Esq.
L. Korman, Esq.
(212) 759-8400
Frank Bloom
(515) 921-8000

Geon Industries, Inc. (AMEX) announced this morning that its 1973 earnings are preliminarily expected to be in the area of \$1.4 to \$1.5 million or about \$.70 per share, approximately 10 to 15% below 1972. At the currently estimated level, Geon's 1973 earnings would be appreciably below that on which Geon's agreement with Burmah Oil Incorporated was negotiated. Geon and Burmah, the U.S. subsidiary of United Kingdom-based Burmah Oil Company Limited, had announced in December agreement in principle for Burmah's acquisition of Geon for \$35,000,000 in cash (which would amount to about \$16.80 per Geon share). Geon said it had over the weekend advised Burmah of its current estimate of earnings and that it expected that the parties would meet to discuss the situation further this week to determine whether any basis for an agreement still exists.

Geon said that its 1973 earnings had been adversely affected by cost increases not fully reflected in its price

(10)

structure. It pointed out that international currency realignments and price controls had been complicating factors. The company said its pricing policies during the year had been based on various cost and expense factors and estimates, some of which proved to be incorrect. As a consequence, interim earnings results which, as in previous years, were based on historical gross profit margins, including these assumptions, were overstated. The company said it is revising its pricing procedures to take these factors into account.

Geon said its first indication that earnings might be below expectations was discovered Thursday afternoon but that it had not been able to make a reliable judgment until this weekend. On this basis, the Company indicated in response to an inquiry by the American Stock Exchange prior to the opening of trading on Friday that there had been no material developments and, accordingly, the Company had nothing to announce. The Company requested a halt in the trading of its stock only when it learned that the stock was declining sharply. The Company has requested that the Exchange continue the trading halt until the situation with Burmah and the Company's earnings are further clarified.

Geon.
INDUSTRIES, INC.

89a /



80 CROSSWAYS PARK DRIVE • P.O. BOX 1000 • WOODBURY • N. Y. 11797 • PHONE: (516) 921-8000 • CABLES: GEON WOODBURY NY

August 13, 1973

TO: C. McC. Anderson
FROM: Frank Bloom

Enclosed for your examination are two sets of the following material (one only of shareholder list):

1. Five year projections, cash flows and pro-forma balance sheets - 20%, 25% and 30% growth rates.
2. Management text to accompany (1) above.
3. Organization chart by corporate entity.
4. List of officers and directors by corporate entity.
5. List of operating locations by corporate entity.
6. Credit agreement - 8 1/2% senior notes.
7. Credit agreement - Franklin National Bank.
8. List of stock quotations and monthly volume.
9. List of shareholders at 3/22/73.
10. Statistics on imported cars in operation 1/1/73.
11. Import sales statistics 6/30/73 and 6/30/72.
12. Reprint of Holley announcement re: Ultra Program.
13. Recent articles re: import car market.

Management organization chart plus projections of employee breakdown for five year pro-formas, to follow shortly.

Regards,

S.E.
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

JUN 18 1974

(13)
FB:ef

Geon

INDUSTRIES, INC.



81 CROSSWAYS PARK DRIVE • P.O. BOX 1770 • WOODBURY • N.Y. 11797 • PHONE (516) 921-8700 • CABLES GEON WOODBURY NY

CONTACT: FRANK BLOOM

NOVEMBER 9, 1973

FOR IMMEDIATE RELEASE

GEON INDUSTRIES, INC. REPORTS INCREASE IN SALES, EARNINGS FOR NINE MONTHS

WOODBURY, N.Y. -- Geon Industries, Inc. today reported earnings of \$1,450,000, or 70 cents per share, for the nine months ended September 30 -- an increase of 18 percent. Earnings in the same period a year ago were \$1,230,000 or 60 cents per share.

Sales increased 18 percent to \$35,314,000 as compared to \$29,861,000 for the 1972 period. The company had 2,070,755 shares outstanding compared to 2,058,615 shares outstanding in the same period last year.

Sales and earnings from the company's import operations were \$28,143,000 and \$1,062,000 compared to \$23,687,000 and \$906,000 for the corresponding period of 1972.

Export operations contributed sales and earnings of \$7,171,000 and \$388,000 compared to \$6,174,000 and \$324,000 in 1972.

-More-

(141)

-2-

Geon Industries, Inc. and its subsidiaries, imports and distributes foreign car replacement parts throughout the United States, and distributes American-made automotive, farm, industrial, aircraft and marine parts throughout the free world.

Geon Industries, Inc. common stock is traded on the American Stock Exchange under the symbol GON.

NINE MONTHS ENDED SEPTEMBER 30th.

	<u>1973</u>	<u>1972(a)</u>
Sales	\$35,314,000	\$29,861,000
Net Income	1,450,000	1,230,000
Earnings Per Share	70¢	60¢
Shares Outstanding	2,070,755	2,058,615

(a) Restated to reflect poolings-of-interest.



REPORT TO
SHAREHOLDERS:
for the nine months
ended Sept. 30, 1973

TO OUR SHAREHOLDERS:

We are pleased to report that Geon Industries, Inc. sales for the first nine months of 1973 were \$35,313,654 with net income of \$1,449,585, or 70 cents per share. Sales for the corresponding period in 1972 were \$29,861,606 and net income was \$1,230,074, or 60 cents per share. These figures reflect an increase of 18 percent in both sales and earnings.

Sales and earnings from the company's import operations were \$28,143,000 and \$1,062,000 compared to \$23,687,000 and \$906,000 for the corresponding period in 1972. Export operations contributed sales

and earnings of \$7,171,000 and \$388,000 compared to \$6,174,000 and \$324,000 in 1972.

Import sales during the last part of the third quarter were somewhat hampered by the disruptive effects of the changes in foreign currencies. This problem has since subsided and management feels that our market area has returned to normal.

The increase in our export operations was due to greater international market penetration by our automotive division and some promising growth in the demand for high performance automotive equipment

	Nine Months Ended September 30th	
	1973	1972(1)
Net Sales	\$35,313,654	\$29,861,606
Costs and Expenses:		
Costs of Sales	19,952,215	17,047,600
Selling and Administrative	12,579,127	10,488,632
Total Costs and Expenses	32,531,342	27,536,232
Income before Taxes	2,782,312	2,325,374
Provision for Federal and State Income Taxes	1,332,727	1,095,300
NET INCOME	<u>1,449,585</u>	<u>1,230,074</u>
PRIMARY EARNINGS		
PER SHARE (A)	70¢	60¢
FULLY DILUTED EARNINGS		
PER SHARE (B)	70¢	60¢
(A) Based on weighted average number of outstanding common shares as follows....	2,070,185	2,058,615
(B) Based on weighted average number of outstanding common shares as follows....	2,102,282	2,129,418

(1) Restated to reflect acquisitions on a pooling-of-interests basis.

and accessories in certain foreign markets. Our aircraft parts division continues its excellent growth in a constantly expanding international market, as the United States remains the world leader in the aircraft industry.

In addition, our export operations were helped by the dollar devaluations this year enabling United States manufactured products to be priced more competitively in foreign markets.

Equally important in management's view, the total number of company-owned distributors has increased to 103, continuing our planned program of distributor expansion. There are currently more than 250 distributors in 46 states, coast-to-coast, specializing in BAP/GEON imported car parts.

The amount receivable from our export customer in Venezuela, as mentioned in our first quarter report, has at this time been reduced to approximately \$328,000, against which the customer continues to make substantial payments.

Management is optimistic that we can look forward to continued improved operations for the future.

George O. Neuwirth

George O. Neuwirth
Chairman of the Board

November 15, 1973



GEON INDUSTRIES, INC.
80 Crossways Park Drive
Woodbury, N.Y. 11797

1
2 something, now.

3 I am trying to think if we booked that \$313,000
4 right then and there. I don't remember.

5 The \$313,000 Frank told Stanley to book this 313
6 and I believe that after that was booked, then we
7 found the 667. So that it would be that you really
8 had nine, but this is if Stanley booked, and I believe
9 he had recorded the 313 as a debit to cost of sales
10 and at that time corrected the preliminary Woodbury
11 number which came up into that consolidation so that
12 the 667 was, I believe, after the correction of the
13 \$313,000.

14 Q So the remaining problem after the
15 correction of the 313 was in the dollar amount of about
16 667,000?

17 A That's correct.

18 Q So when you left on that Thursday night
19 at midnight, the 313 had been located at least and
20 probably properly entered by that time?

21 A I believe so, yes.

22 Q And that left 667 to try to figure out?

23 A Exactly.

24 Q When you left that evening, did you leave
25 alone or did you leave --

McMahon

[32] 96a

1
2 A No, Frank and I left together.

3 Q How did you get home that evening?

4 A Drove.

5 Q By yourself? Did Frank drop you off?

6 A No, I had my car downstairs.

7 Q You left the office together, then you got
8 in your car and went home and Frank got in his car and
9 went home?

10 A Right.

11 Q Did you go directly home?

12 A Yes, I did.

13 Q Can you tell me what was your thought with
14 respect to the company's financial situation at the
15 time that you left that evening?

16 A I knew we had a problem. We had never had a
17 problem this big ever before and Frank and I had done
18 some preliminary work. We had footed the inventory
19 schedules, we had checked to make sure all the
20 branches were included, we had, more or less, said to
21 ourselves at this point that the east coast inventories
22 were not going to change and that unless the warehouses
23 on the west coast or branches or others we could locate
24 were in the P and L, that we had a definite problem.

25 Q What time did you get home that night?

McMahon

[33]

1

2 A I think about 1, 1:30.

3 Q What did you do when you got home?

4 A I called somebody.

5 Q Who was that?

6 A Mr. Rausch.

7 Q Did you call him directly when you got
8 home?

9 A Yes, I believe so.

10 Q What did you call Mr. Rausch for?

11 A I had made the decision coming home, due to the
12 problems that were uncovered, Mr. Rausch was my broker
13 and I was going to sell my stock.

14 Q How many shares of stock did you hold
15 in Geon at that time?

16 A It's a little complicated, but I, in my account,
17 I believe, 600 shares and in my father-in-law's account,
18 400 shares.

19 Q When you called Mr. Rausch, where did you
20 call him?

21 A From my home.

22 Q Was he at home?

23 A Yes, he was.

24 Q When you called him, what were your
25 instructions to him?

McMahon

[34]

98a

1
2 A I told him to sell my stock and to sell my
3 father-in-law's stock. I think I had woken him up
4 that evening and I just told him to sell my stock,
5 sell my father-in-law's stock tomorrow and I hung up.

6 Q Did he say anything before you hung up?

7 A No, he was a little groggy.

8 Q Can you recall what else you said to him,
9 if anything?

10 A Not that night, no.

11 Q You did not say anything else to him?

12 A No.

13 Q You just called him up and that one liner?

14 A Basically, yes.

15 Q He did not have any response or anything?

16 A No, I think he was half asleep.

17 Q What did you do after making the phone
18 call?

19 A Then I went to bed.

20 Q Did you have any conversations with your
21 wife before you turned in?

22 A I don't think so.

23 Q The next morning, what time do you figure
24 you got up in the morning?

25 A About 7:30 or 8:00.

McMahon

[35]

99a

1
2 Q Did you have any conversations with your
3 wife at that time about stock?

4 A With my wife, I don't think so.

5 Q Did you make any telephone calls?

6 A No, Mr. Rausch called me back.

7 Q That morning?

8 A Yes, he did.

9 Q What did he say?

10 A He said something to the effect -- "Did you call
11 me last night?" And I said, "Yes."

12 He said, "Did you tell me to sell the
13 stock?" And I said, "Yes."

14 Q He thought he had a bad dream?

15 A Yes. He said, "What is the problem?" And I said,
16 "I don't know at this point, but it could be a big
17 problem and I want to be out of the stock."

18 He said, "You are sure that the problem is
19 there?" and I said, "I don't know the problem is there.
20 It's too preliminary, but please sell my shares and my
21 father-in-law's shares of stock."

22 So he said he would.

23 Q Do you recall, roughly, what time of
24 morning this was?

25 A I think 8:00 or 8:30 because I usually leave --

McMahon

[36]

1
2 if I leave my house around 9:00, I get in around 10:00
3 or 10:15, so it had to be between 8:00 and 9:00 o'clock.

4 MR. DRAKE: You say you told him it was a
5 big problem, but you did not know how big, because
6 the figures were preliminary?

7 THE WITNESS: That's correct.

8 MR. DRAKE: Why did you characterize it as
9 a big problem?

10 THE WITNESS: Because I think \$600,000,
11 if that number holds up, is a big problem. I
12 don't think that is a small number.

13 Q What time did you get into work that day?

14 A I guess I got in around 10 or so, again.

15 Q Can you tell me when was your next con-
16 versation with Mr. Rausch with respect to the Geon
17 stock situation?

18 A I think it was that following evening, because
19 while I was walking through the office one of the em-
20 ployees stopped me and said, "What is going on?"

21 I said, "What is the matter?"

22 He said, "They suspended trading in Geon
23 and the stock was down to 11 something."

24 So I had to work, I don't remember how late
25 I worked that night.

* * *

RAUCH

[32]

thing for us. And I thought so, too, because everybody would be going to small cars.

Now, they claim that the foreign car sales started to level off a little bit. Not really, but they leveled off at 18 or 17 percent.

So, now, with the energy crisis coming, I am going back to my bullishness again that I was in 1970, when I started recommending Geon, because the imports were taking 16 percent, 18 percent, so I was back in the cycle again.

And I asked him at the time, earnings, everything was on target. It was a known fact the company was growing between 15 to 20 percent a year in earnings.

And it was common knowledge, because of the business that they had. And that is--I think I went off the track of what we were looking for originally.

BY MR. PERLIS:

Q We are looking for how you found out about the merger, the acquisition by Burma?

A Until it was Burma?

BY MR. RUBIN:

Q About the proposed acquisition. What led to your purchases in November?

A The Cowin report, and my conversation with Mr.

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RAUCH

[33]

Neuwirth, and I would say that would--at the time, in the beginning of November or the end of October.

Q When did you recall speaking to Mr. Firkser about the possible merger that he couldn't tell you about?

A I remember it was October. I think it was either the latter part of October.

Q So all of these things were contemporaneous with the other? All of them occurred pretty much the same time?

A Yes. Everything happened at once, more or less.

Q Did Mr. McMahan confirm any of this to you, other than that no one was around?

A He confirmed to me that there is a deal cooking sometime in November, but he knew something was happening, but didn't know what.

BY MR. PERLIS:"

Q Did he give you any more definite statement as to what kind of a deal?

BY MR. RUBIN:

Q That is generically, like a merger, a big acquisition, a bit--almost anything?

A I am just trying to think. There are so many people I spoke to. Who comes first? This was after the announcement already.

This was after December 3. But prior to December 3--December 3, I think was a Monday. Do you--I think it was a Monday. That Friday night prior--that prior Friday night--

Q December 3 was a Monday?

A Right. That Friday night I come home, I get a phone call, George Neuwirth on the phone. So I says he is calling me. Called me home to tell me that Monday morning, before the opening, there would be an announcement that, he said, rumors have been going on. But there will be an announcement Monday morning that we are having negotiations with Burma Oil of England. That is when I said, "My God, I can 't say, you know, happened th en.

And sure enough, Mpnday mornning, before the opening, the thing came out.

BY MR. PERLIS:

Q When you said Mr. Firkser said he cannot say, did he say that with an English accept?

A Yes.

Q Unfortunately the record won't pick that up.

A Yes.

BY MR. RUBIN:

Q Did you get bak to Mr. Firkser on that at all?

A No/

RAUCH

104a

[35]

1 Q And had Mr. McMahan been the source of any
2 other, or any information prior to lets say December
3 3, 1973, concerning the merger or anything on the fire,
4 anything that might be considered to be material
5 information?

6 A No. Not that I-- No. But the information
7 that I--you want me to--

8 Q You mentioned the purchases, you know, in the
9 beginning of November. Sort of contemporaneous with your
10 knowledge of a merger, which was not announced until
11 December.

12 A Correct.

13 Q Did you have any knowledge in early
14 November, such as Mr. Firkser's phone call, that
15 something was happening?

16 A Yes.

17 MR. ZELERMYER: Can you read back the
18 last question, please?

19 (Record read.)

20 THE WITNESS: You mean besides Mr. Firkser
21 and my father?

22 BY MR. PERLIS:

23 Q Right.

24 A Nothing. Mr. McMahan, he felt something
was happening, but he didn't know what.

1 and February 22, 1974, let's make that February 21st of
2 1974, did you have any other conversations with any Geon
3 officers, directors or employees regarding Geon?

4 A Yes. Mr. George Neuwirth.

5 Q But not Mr. McMahan?

6 A I spoke to Mr. McMahan, but he didn't really know
7 from our conversations what was going on.

8 Q What did Mr. Neuwirth tell you?

9 A Mr. Neuwirth--the key was, we are going now from
10 December to February, right?

11 Q Dorrect.

12 A I used to call Mr. Neuwirth every week
13 to say, George, how is everything going, and he would say,
14 Marvin, everything is great. There was an article on
15 February the 3rd, that appeared in the New York Times-- Do
16 you have it with you?

17 MR. ZELERMYER: Yes.

18 BY MR. ZELERMYER:

19 Q If you can just go on.

20 A Right. There was an article in the
21 New York Times, which more or less quoted that the deal
22 was completed. February 10.

23 BY MR. PERLIS:

24 Q You refreshed your recollection now by looking
25 at the copy of the article?

A I don't need the article.

1 BY MR. RUB IN:

2 Q Just for the date, that is all?

3 A The date. The February 10 article. I called
4 Mr. Neuwirth home, and I says, "George, according to this
5 article, the deal's completed, where is your money?"

6 He said to me, Marvin, all I can tell you
7 is ~~that~~ there are no problems, no hurdles, we are acting
8 like we are a subsidiary of Geon."

9 I says, "How can"--

10 Q A subsidiary of Burma?

11 A "A subsidiary of Burma. A subsidiary of Burma."

12 I said, "Where is our checks?" I said, "How
13 can the paper say that?"

14 He says, "Because we are a family already."
15 This was on February 10. And he said to me there are no
16 problems, no hurdles. All the major problems were ironed
17 out, and there is nothing in front of us to hurt us, and he
18 said, the auditors are in, and we expect to sign before
19 the auditors are finished.

20 BY MR. RUBIN:

21 Q Did he give you a date, outside date, as
22 a guess?

23 A Approximately--there was a conversation before.
24 He gave me a date of, I think it might have been ten days,
25 two days--two weeks, or two to three weeks.

1 BY MR. PERLIS:

2 Q From February 10?

3 A No. This is a conversation I had the
4 week prior. I am just trying--the way--the conversations
5 I had, it was if--that they were going to sign the 20--
6 either the 21 or 22 of February.

7 BY MR. RUBIN:

8 Q Did he indicate there was to be a meeting, the fo
9 mal signing would be at?

10 A No.

11 BY MR. PERLIS:

12 Q Between December 3 and February 22, did you at
13 any time increase your position in Geon?

14 A Between December 3 and December--

15 Q February 22 of 1974.

16 A Oh, yes.

17 Q How many shares additional did you, did
18 you purchase, approximately?

19 A From December 3 on?

20 Q Yes.

21 A December 3?

22 BY MR. RUBIN:

23 Q I understand you purchased a thousand shares
24 on February--

25 A That is the 19th. I spoke to Mr.
Neuwirth that day.

* * *

* * *

RAUCH

[53]

either by providing you with the firm rules, or the exchange rules, or SEC rules, that inside information--that--about regulations concerning the use of material nonpublic information?

Or what you must do when you are--well, when you observe--when you obtain such information?

Are you aware of the general rules and regulations concerning the use of material public information--excuse me, non-public information?

A I--

Q When executing your purchases and sales of securities?

A I would say yes. I think my original guidelines as a broker.

Q When you received the call from McMahan, both late at night and then when you confirmed the news about the bad numbers the next morning, you consider that you had been privy to material nonpublic information?

A I would say yes.

Q Did you consider discussing this, in fact, did you discuss this with your compliance man at Edwards & Hanby, or with the resident partner or with anyone else there?

A No.

BUYS

<u>DATE</u>	<u>RAUCH</u>	<u>ROSENFELD</u>	<u>LYNN</u>	<u>OTHERS</u>
10/18	600-S. Maslow✓			
10.19	100-D. Spanton✓			
10/22	100-McMahon✓	300 Chanin✓		100-Zeiff✓
	200-Kaufman✓			175-Buntzis✓
				100-Magid✓
				100-Magid
10/23	100-Freilich✓			100-Schachl✓
				100-Schechter✓
				360-Falowitz✓
				160-Ward✓
				200-Wiesen✓
				80-Roth✓
				> 200-Liebreich✓
10/25				> 100-Catal✓
10/25				250-Teplitz✓
11/2	600-Rauch(wife)✓	400 Rosenfeld (wife)✓	400-Lynn✓	
	200-Maione✓			
11/5		175-Rosenfeld (wife)✓		
11/6	200-Maione✓			100-Hedge Fund 853 INV✓
	900-Rauch (wife)✓			100-Morgese✓
				150-Myers✓
				100-Liebreich✓
				150-A.A. Inv.✓
11/9	200-Maione✓			
	300-Rauch (wife)✓			
	300-Daer✓			
	300-Feder✓			

Buy

<u>DATE</u>	<u>RAUCH</u>	<u>ENFELD</u>	<u>LYNN</u>	<u>2. OTHERS</u>
11/12	500-Kaufman ✓		150-Reich ✓	
	1000-Rosa. Rauch *		200-Spitz ✓	
	500-Forrest ✓		100-Shanker ✓	
	100-Rauch (wife) *		50-Schutte ✓	
	500-Berzi ✓		50-Farkas ✓	
	200-Baer ✓		50-Leslie ✓	
	100-Kaufman ✓		50-Schadlow ✓	
			200-Hedgo 853 700 ✓	
			200-Irv. Lynn ✓	
			200-Bolder ✓	
11/13			250-D. Lynn ✓	
			25-Morgese ✓	
			250-Payne ✓	
			25-Silverman ✓	
			50-Blumenstock ✓	
		11/16	100-I. Lynn ✓	
11/13	100-Spanton ✓			
	100-Forrest ✓			
	100-Kaufman ✓			
11/16	400-Inv. Assoc. ✓			
	100-Forrest ✓			
	500-Kaufman ✓			
	200-Rosa. Rauch *			
11/20	500-Baer - 11/16 ✓			
11/20	250-Gordon ✓			
	300-Spanton ✓			
	200-Rosa Blum *			

B-7

3.

<u>DATE</u>	<u>RAUCH</u>	<u>ROSENTELD</u>	<u>LYRI</u>	<u>OTHERS</u>
11/21	250-Borne ✓ 300-Eide ✓ 300-Rosa Blum ✓		200-Reinstein ✓	
11/26	200-Eide ✓ 200-Kaufman ✓ 500-Dann ✓			
11/29	800-Kaufman ✓ 200-Rosa. Rauch ✓ 300-Brettler ✓			
11/30	100-Inv. Assoc ✓ 200-Silverman ✓ 200-Forrest ✓			
11/30	50-Sorrentino ✓		100-Centore ✓	
12/3 *	100-Goldberg ✓ 12:32 500-C. Kaufman ✓ 13:44 - 200 12:50 - 300 2000-Kaufman ✓ 12:53 500-Rauch ✓ 13:54 500-Forrest ✓ 13:53 300-Blum ✓ 16:09 500-N. Maslow ✓ 16:07 200-Vershel ✓ 16:08		100-Gaudio ✓ 15:17 100-353d Inv. ✓ 15:16 178 ⁵ -Rotondo ✓ 15:18 50-Schadlow ✓ 15:18 75-Gaudio ✓ 15:17	
12/4	500-Baer ✓ 500-N. Maslow ✓ 1000-B. Rauch (wife) ✓ 1000-Jules Rauch ✓ 200-Rosa. Blum ✓ 200-Vershel ✓ 400-Spanton ✓		500-Vogel ✓	

B-7

4.

<u>DATE</u>	<u>RAUCH</u>	<u>ROSENFIELD</u>	<u>LYNN</u>	<u>OTHERS</u>
12/5	200-Forrest ✓ 500-Kaufman ✓ 200-Silverman ✓ 1000-Jules Rauch ✓ 200-C. Kaufman ✓ 200-Rosa. Rauch ✓ 300-Spanton ✓	400-Melvin Horowitz ✓		300-Gathard ✓
12/6	300-Rothstein ✓ 500-Dann ✓ 200-Rosa. Rauch ✓	500-Rosenfeld (wife) ✓	100-Lynn ✓ 100-Brenner ✓ 100-Schanker ✓ 65-Silverman ✓ <i>AK</i> 35-Lynn ✓ <i>AK</i>	500-Gullo ✓
12/7	500-Alpert ✓	2	200-Levenson ✓	50-Cacciola ✓ 75-Gaudio ✓ 55-Slipko ✓ 15-Lynn ✓ 50-Solnica ✓ 10-Blumenstock ✓ 55-Myers ✓ 15-Morgese ✓ 400-Lavin Machine ✓
12/10	500-Alpert ✓			
12/11	500-Alpert ✓			
12/12	100-Friedman ✓ 900-Levine ✓ 500-Rosa Friedman ✓			
12/13	100-Solomon ✓ 100-Friedman ✓ 100-Beverly Rauch ✓		100-Lavin Machine ✓	

Buy

DATE	<u>RAUCH</u>	<u>ROSENFELD</u>	<u>LYNN</u>	5. <u>OTHERS</u>
12/14	100-Brettler ✓			
12/17			100-Perlmutter ✓	
			100-Goldwasser ✓	
12/18	200-Brettler ✓			
12/20	200-C. Kaufman ✓			1100-Arbitr Boesky
				142/1000 " ✓
12/21	100-Rosa Friedman ✓			
	500-N. Maslow ✓			
	100-L. Maslow (ITEE) ✓			
	500-Levine ✓			
	200-Goldberg ✓			
	500-Baer ✓			
	200-Rosa. Friedman ✓			
	400-Brettler ✓			
12/24				1300-Boesky ✓
12/26	200-Geisler ✓			1700-Boesky ✓
	200-Rothstein ✓			
	200-Rauch (Rosalyn) ✓			
12/27				1000-Boesky ✓
12/28	100-Goldberg ✓			
1/7/74				2800-Boesky ✓
1/11				3000-Boesky ✓
				1700 Mrs. ✓

ONLY COPY AVAILABLE

Buy

<u>DATE</u>	<u>RAUCH</u>	<u>ROSENFELD</u>	<u>LYNN</u>	<u>OTHERS</u>
				6. 1500-A. Steinberg Pship/Boesky
				1/15 3400-G. Levi Boesky
1/15				3400-S. Levi Boesky
1/21				2300-Boesky
1/23				600-Boesky
1/30				1000-Boesky
2/1	300600-Kaufman ✓			
	200400-C. Kaufman ✓			
2/5				900-Boesky
2/8				50-Teplitz
2/11	248 500-Levin ✓			800-Boesky
2/12				1300-Boesky
2/13				2600-Boesky
2/14				1000-Boesky
2/15				3200-Boesky
2/19	1000-Rauch (wife) ✓			1300-Boesky
2/21				1100-A. Steinberg Pship/Boesky
				1200-G. Levi Boesky
				1100-S. Levi Boesky
2/22				1000-(cancel Boesky)
				7500-Boesky
				4000 cpl apparently cancelled 3/5/74
				3500 gaud

<u>DATE</u>	<u>RAUCH</u>	<u>SELLS</u> <u>ROSENFELD</u>	<u>LYNN</u>	<u>OTHERS</u>
10/18				100-Zeiff ✓
11/15	300-Erettler ✓		12/18/73 200-Spitz ✓	
12/13			150-Reich ✓	
			100-Centore ✓	
			200-Reinstein ✓	
			50-Blumenstock ✓	
12/14			55-Slipko ✓	
12/19	400-Spanton ✓	300-Chanin ✓	250-Irv. Lynn ✓	
		500-Rosenfeld (w) ✓	50-Leslie ✓	
			200-Bolder ✓	
12/20			250-Fayne ✓	300-Cullo ✓
			400-Schanker ✓	300-Cathard ✓
			10-Blumenstock ✓	
			200-853d Inv. ✓	
			50-Schutte ✓	
12/21			100-Rotondo ✓	
			140-Morgese ✓	
12/24			75-Rotondo ✓	
			25-Silverman ✓	
			200-853d Inv. ✓	
12/26			100-Schadlow ✓	
			500-Lavin Machine ✓	
12/28	250-Borne ✓			
	500-200-Brettler ✓			
1/8/74	100-McMahon ✓		50-Irv. Lynn ✓	
1/9			50-Farkas ✓	

sell

2.

ATE	KAUCH	ROSENFELD	LYNN	OTHERS
1/10			200-Leverson ✓	
			300-D. Lynn ✓	
1/15		25-Rosenfeld (w) ✓	100-D. Lynn 1/16 ✓	
1/21			100-Schadlow ✓	
			200-Weisen ✓	
1/22			100-Catag ✓	
1/23	200-N. Maslow ✓		160-Ward ✓	
			140-Stoll ✓	
			500-Vogel ✓	
1/24				2300-S. Lev Boesky ✓
				2400-G. Lev Boesky ✓
				2300-A. Steiberg Doc ✓
1/25			65-Silverman ✓	2800-S. Levi Boesky ✓
			80-Roth ✓	3708-3300-G. Levi Boesky ✓
				2700-A. Steiberg P. Sh Boesky ✓
2/4			300-Leibreich ✓	
2/15			75-Gaudio ✓	
2/22	600-Malone ✓	400-Horowitz ✓	100-Brenner ✓	
	400-McMahon ✓	550-Rosenfeld ✓	200-Myers ✓	
	100-Aprahamian ✓	250-Barlow ✓	100-Perlmutter ✓	
	500-Rosalyn Rauch ✓		100-D. Lynn ✓	
	100-Feingold ✓			
	500-Eide ✓			
	300-Vershel ✓			
	300-Spanton ✓			
	4400-B. Rauch ✓			

PLEASE PRINT ALL INFORMATION

NEW ACCOUNT REPORT

EDWARDS & HANLY

BR. NO. 004	A/C NO. 23051	111 TYPE 2	R.R. NO. 1 2: 880	IF JT A.C. RELATIONSHIP <input checked="" type="checkbox"/> MARRIED <input type="checkbox"/> SINGLE	121 A/C CATEGORY 01	SOCIAL SECURITY OR I.D. NO. 100-34-1686	DATE 1/3/74
FULL NAME <input checked="" type="checkbox"/> MR. JAMES McMAHON <input type="checkbox"/> MRS. <input type="checkbox"/> MISS							
SEND MAIL TO	<input checked="" type="checkbox"/> HOME ADDRESS		STREET 10055 Lane		CITY Northhampton	STATE NY	ZIP CODE 13454
	<input type="checkbox"/> BUSINESS ADDRESS		STREET 1305 Ave Americas		CITY NYC	STATE	ZIP CODE 10024
NAME OF EMPLOYER Arthur Anderson & Co.			TYPE OF BUSINESS			HOW LONG?	POSITION Account
<input type="checkbox"/> WIDOW		IF CUSTOMER IS MARRIED, COMPLETE THIS LINE					
SPOUSE'S NAME Karen		EMPLOYED BY		POSITION			
INTRODUCED TO R.R. BY (NAME)		HOW LONG KNOWN 9 yrs		<input type="checkbox"/> REFERRAL <input type="checkbox"/> SEMINAR <input type="checkbox"/> PERSONAL CONTACT		<input type="checkbox"/> ADVERTISING <input type="checkbox"/> WALK IN <input type="checkbox"/> COLD CALL	
COUNTRY OF CITIZENSHIP		COUNTRY OF RESIDENCE		STATE OF RESIDENCE		NON-PERSONAL ALIEN	
IS CUSTOMER 21 YRS. OR OVER <input type="checkbox"/> YES <input type="checkbox"/> NO		IS THERE A POWER OF ATTORNEY? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		IF YES - NAME AND REFERENCE		OR IF EMPLOYEE R.R. #	
BANK REFERENCE		NAME OF BANK		LOCATION		BANK EMPLOYEE SPOKEN TO	
PREVIOUS BROKERAGE A/C OR OTHER BUS. REF.		NAME		LOCATION		INITIAL DISCLOSURE STATEMENT DELD. DATE	
INITIAL TRANSACTION		VALUE		R.R. SIGNATURE		ANNUAL INT. OF	
CREDIT REMARKS				BRANCH MANAGER SIGNATURE			
CUSTOMER'S SIGNATURE(S)				ACCEPTED BY: (PARTNER)			

FORM NO. 94B

20M RE

DUPLICATE - BRANCH COPY

(COMPLETE REVERSE SIDE)

SUPPORTING DOCUMENTS	ATTACHED	BRANCH OFFICE OBTAINING
CUSTOMER'S (MARGIN) AGREEMENT		<input checked="" type="checkbox"/>
WITH CUSTOMER'S LOAN CONSENT		<input checked="" type="checkbox"/>
JOINT ACCOUNT AGREEMENT		
CORPORATION RESOLUTION (CASH)		
CORPORATION RESOLUTION (MARGIN)		
CO-PARTNERSHIP ACCOUNT		
LIMITED TRADING AUTHORIZATION		
INVESTMENT CLUB		
GUARANTY OF ACCOUNT		
OPTION MARGIN AGREEMENT		
POST OFFICE BOX FORM		
N.Y. DECLARATION OF NONRESIDENCE		
LETTER OF INTENT-MUTUAL FUND		
C.O.D. INSTRUCTION AGREEMENT		
TRUST PAPERS		
EMPLOYER CONSENT LETTER		
OTHER		

NOTE

ALL information in red printed boxes MUST be included in the wire sent to account records dept., when opening a new account.

STANDING INSTRUCTIONS	CODE	CHECK
TRANS. CUST. NAME AND DELIVER	54	
HOLD IN CUST. NAME	52	
HOLD IN FIRM NAME	51	<input checked="" type="checkbox"/>
STANDING C.O.D.	44	
ITEMIZED C.O.D.	58	
PROCEEDS OF SALE		
SEND FUNDS	P1	
HOLD FUNDS	P4	<input checked="" type="checkbox"/>
DIVIDENDS (CASH)		
PAY ON RECEIPT	04	<input checked="" type="checkbox"/>
HOLD	01	
DIVIDENDS (STOCK)		
CASH IN LIEU OF FRACTION	05	
ROUND OUT TO FULL SHARE	07	

FOR ALL NEW TRUST ACCOUNTS, BRANCH MANAGER APPROVAL

(1) ACCOUNT TYPE	NO.	CHECK
CASH	1	<input checked="" type="checkbox"/>
MARGIN	2	<input checked="" type="checkbox"/>
SHORT	3	
SPECIAL SUBSCRIPTION	4	
SPECIAL CV BOND	5	
SPECIAL LOAN	6	
SPECIAL BOND	9	

(2) ACCOUNT CATEGORY	NO.	CHECK
INDIVIDUAL	01	<input checked="" type="checkbox"/>
JOINT TEN COM	02	
JOINT TEN WROS	03	
CUSTODIAN FOR MINOR	04	
PARTNERSHIP	05	
CORPORATION	06	
PERSONAL TRUST	07	
INVESTMENT CLUB	08	
ESTATES	09	
COMMERCIAL BANK	11	
SAVINGS BANK	12	
SAVINGS & LOAN	13	
TRUST CO.	14	
LIFE INSURANCE CO.	15	
NON-LIFE INSURANCE CO.	16	
BROKERS	21	
INVESTMENT CO-OPEN END	22	
INVESTMENT CO.-CLOSED END	23	
INVEST. PART. HEDGE FUND	24	
PENSION PLANS - TRUSTEE	25	
PENSION PLANS-LIFE INS.	26	
NON-PROFIT ORG.	27	

TO: <input type="checkbox"/> TRIP COPY OF <input type="checkbox"/> STATEMENT	TO: <input type="checkbox"/> TRIP COPY OF <input type="checkbox"/> STATEMENT

ONLY COPY AVAILABLE

PLEASE PRINT ALL INFORMATION

NEW ACCOUNT REPORT

EDWARDS & HANLY

BR. NO. 04	A/C NO. 73479	(1) TYPE 1	R.R. NO. 1. 880 2. 3.	IF JT A/C, RELATIONSHIP <input type="checkbox"/> MARRIED <input type="checkbox"/> WROS <input type="checkbox"/> SINGLE <input type="checkbox"/> TEN COM	(2) A/C CATEGORY 01	SOCIAL SECURITY OR I.D. NO. 06842-1714	DATE 1/14
FULL NAME		FIRST LOUIS		MIDDLE MARION		LAST	
SEND MAIL TO	<input type="checkbox"/> HOME ADDRESS		STREET 1535	CITY 11	STATE NY	ZIP CODE	HOME PHONE NO.
	<input type="checkbox"/> BUSINESS ADDRESS		STREET 741	CITY 11	STATE NY	ZIP CODE	BUSINESS PHONE NO. 722
NAME OF EMPLOYER			TYPE OF BUSINESS			HOW LONG?	POSITION
<input type="checkbox"/> WIDOW	IF CUSTOMER IS MARRIED, COMPLETE THIS LINE						
SPOUSE'S NAME		EMPLOYED BY			POSITION		
INTRODUCED TO R.R. BY (NAME)		HOW LONG KNOWN	<input type="checkbox"/> REFERRAL <input type="checkbox"/> SEMINAR <input type="checkbox"/> PERSONAL CONTACT		<input type="checkbox"/> ADVERTISING <input type="checkbox"/> WALK IN <input type="checkbox"/> COLD CALL		
COUNTRY OF CITIZENSHIP	COUNTRY OF RESIDENCE	STATE OF RESIDENCE		NON-RESIDENT ALIEN		<input type="checkbox"/> E & H EMPLOYER A/C <input type="checkbox"/> R.R. OWN A/C <input type="checkbox"/> OR IF EMPLOYEE R.R. #	
IS CUSTOMER 21 YRS. OR OVER <input type="checkbox"/> YES <input type="checkbox"/> NO	IS THERE A POWER OF ATTORNEY? <input type="checkbox"/> YES <input type="checkbox"/> NO		IF YES - NAME AND REFERENCE				
BANK REFERENCE	NAME OF BANK		LOCATION		BANK EMPLOYEE SPOKEN TO		REF. CHK. BY
PREVIOUS BROKERAGE A/C OR OTHER BUS. REF.	NAME		LOCATION		INITIAL DISCLOSURE STATEMENT DELD. DATE: 11/1/73 ANNUAL INT. OF 12%		
INITIAL TRANSACTION			VALUE		R.R. SIGNATURE		
CREDIT REMARKS					BRANCH MANAGER SIGNATURE		
CUSTOMER'S SIGNATURE(S)					ACCEPTED BY: (PARTNER)		

FORM NO. 94B

20M RE

DUPLICATE - BRANCH COPY

(COMPLETE REVERSE SIDE)

SUPPORTING DOCUMENTS	ATTACHED	BRANCH OFFICER'S INITIALS	BRANCH OFFICER'S SIGNATURE
CUSTOMER'S (MARGIN) AGREEMENT			
WITH CUSTOMER'S LOAN CONSENT			
JOINT ACCOUNT AGREEMENT			
CORPORATION RESOLUTION (CASH)			
CORPORATION RESOLUTION (MARGIN)			
CO-PARTNERSHIP ACCOUNT			
LIMITED TRADING AUTHORIZATION			
INVESTMENT CLUB			
GUARANTY OF ACCOUNT			
OPTION MARGIN AGREEMENT			
POST OFFICE BOX FORM			
N.Y. DECLARATION OF NON-RESIDENCE			
LETTER OF INTENT-MUTUAL FUND			
C.O.D. INSTRUCTION AGREEMENT			
TRUST PAPERS			
EMPLOYER CONSENT LETTER			
OTHER			

NOTE

ALL information in red printed boxes MUST be included in the wire sent to account records dept., when opening a new account.

STANDING INSTRUCTIONS	CODE	CHECK
SECURITIES		
TRNS. CUST. NAME AND DELIVER	S4	
HOLD IN CUST. NAME	S2	
HOLD IN FIRM NAME	S1	<input checked="" type="checkbox"/>
STANDING C.O.D.	S5	
ITEMIZED C.O.D.	S6	
PROCEEDS OF SALE		
SEND FUNDS	P1	<input checked="" type="checkbox"/>
HOLD FUNDS	P4	
DIVIDENDS (CASH)		
PAY ON RECEIPT	D4	
HOLD	D1	
DIVIDENDS (STOCK)		
CASH IN LIEU OF FRACTION	F5	
STOCK OUT TO FULL SHARE	F7	

*DO NOT CHECK THESE UNLESS YOU RECEIVE SPECIFIC BRANCH MANAGER APPROVAL

(1) ACCOUNT TYPE	NO.	CHECK
CASH	1	<input checked="" type="checkbox"/>
MARGIN	2	
SHORT	3	
SPECIAL SUBSCRIPTION	4	
SPECIAL CV BOND	5	
SPECIAL LOAN	6	
SPECIAL BOND	9	

(2) ACCOUNT CATEGORY	NO.	CHECK
INDIVIDUAL	01	<input checked="" type="checkbox"/>
JOINT TEN COM	02	
JOINT TEN WROS	03	
CUSTODIAN FOR MINOR	04	
PARTNERSHIP	05	
CORPORATION	06	
PERSONAL TRUST	07	
INVESTMENT CLUB	08	
ESTATES	09	
COMMERCIAL BANK	11	
SAVINGS BANK	12	
SAVINGS & LOAN	13	
TRUST CO.	14	
LIFE INSURANCE CO.	15	
NON-LIFE INSURANCE CO.	16	
BROKERS	21	
INVESTMENT CO-OPEN END	22	
INVESTMENT CO-CLOSED END	23	
INVEST. PART. HEDGE FUND	24	
PENSION PLANS - TRUSTEE	25	
PENSION PLANS-LIFE INS.	26	
NON-PROFIT ORG.	27	

☐ DUP. COPY OF ☐ CONFIRM TO: ☐ DUP. COPY OF ☐ CONFIRM
☐ TRIP COPY OF ☐ STATEMENT TO: ☐ TRIP COPY OF ☐ STATEMENT TO:

CUSTOMER'S AGREEMENT

121a

EDWARDS & HANLY

In consideration of your accepting one or more accounts of the undersigned (whether designated by name, number or otherwise) and your agreeing to act as brokers for the undersigned in the purchase or sale of securities or commodities, the undersigned agrees as follows:

1. All transactions under this agreement shall be subject to the constitution, rules, regulations, customs and usages of the exchange or market, and its clearing house, if any, where the transactions are executed by you or your agents, and, where applicable, to the provisions of the Securities Exchange Act of 1934, the Commodities Exchange Act, and present and future acts amendatory thereof and supplemental thereto, and the rules and regulations of the Federal Securities and Exchange Commission, the Board of Governors of the Federal Reserve System and of the Secretary of Agriculture in so far as they may be applicable.

2. Whenever any statute shall be enacted which shall affect in any manner or be inconsistent with any of the provisions hereof, or whenever any rule or regulation shall be prescribed or promulgated by the New York Stock Exchange, the Federal Securities and Exchange Commission, the Board of Governors of the Federal Reserve System and/or the Secretary of Agriculture which shall affect in any manner or be inconsistent with any of the provisions hereof, the provisions of this agreement so affected shall be deemed modified or superseded, as the case may be, by such statute, rule or regulation, and all other provisions of the agreement and the provisions as so modified or superseded, shall in all respects continue and be in full force and effect.

3. Except as herein otherwise expressly provided, no provision of this agreement shall in any respect be waived, altered, modified or amended unless such waiver, alteration, modification or amendment be committed to writing and signed by a member of your organization.

4. All monies, securities, commodities or other property which you may at any time be carrying for the undersigned or which may at any time be in your possession for any purpose, including safekeeping, shall be subject to a general lien for the discharge of all obligations of the undersigned to you, irrespective of whether or not you have made advances in connection with such securities, commodities or other property, and irrespective of the number of accounts the undersigned may have with you.

5. All securities and commodities or any other property, now or hereafter held by you, or carried by you for the undersigned (either individually or jointly with others), or deposited to secure the same, may from time to time and without notice to me, be carried in your general loans and may be pledged, re-pledged, hypothecated or re-hypothecated, separately or in common with other securities and commodities or any other property, for the sum due to you thereon or for a greater sum and without retaining in your possession and control for delivery a like amount of similar securities or commodities.

6. Debit balances of the accounts of the undersigned shall be charged with interest, in accordance with your usual custom, and with any increases in rates caused by money market conditions, and with such other charges as you may make to cover your facilities and extra services.

7. You are hereby authorized, in your discretion, should the undersigned die or should you for any reason whatsoever deem it necessary for your protection, to sell any or all of the securities and commodities or other property which may be in your possession, or which you may be carrying for the undersigned (either individually or jointly with others), or to buy in any securities, commodities or other property of which the account or accounts of the undersigned may be short, or cancel any outstanding orders in order to close out the account or accounts of the undersigned in whole or in part or in order to close out any commitment made in behalf of the undersigned. Such sale, purchase or cancellation may be made according to your judgment and may be made, at your discretion, on the exchange or other market where such business is then usually transacted, or at public auction or at private sale, without advertising the same and without notice to the undersigned or to the personal representatives of the undersigned, and without prior tender, demand or call of any kind upon the undersigned or upon the personal representatives of the undersigned, and you may purchase the whole or any part thereof free from any right of redemption, and the undersigned shall remain liable for any deficiency; it being understood that a prior tender, demand or call of any kind from you, or prior notice from you, of the time and place of such sale or purchase shall not be considered a waiver of your right to sell or buy any securities and/or commodities and/or other property held by you, or owed you by the undersigned, at any time as hereinbefore provided.

8. The undersigned will at all times maintain margins for said accounts, as required by you from time to time.

9. The undersigned undertakes, at any time upon your demand, to discharge obligations of the undersigned to you, or, in the event of a closing of any account of the undersigned in whole or in part, to pay you the deficiency, if any, and no oral agreement or instructions to the contrary shall be recognized or enforceable.

10. In case of the sale of any security, commodity, or other property by you at the direction of the undersigned and your inability to deliver the same to the purchaser by reason of failure of the undersigned to supply you therewith, then and in such event, the undersigned authorizes you to borrow any security, commodity, or other property necessary to make delivery thereof, and the undersigned hereby agrees to be

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responsible for any loss which you may sustain thereby and any premiums which you may be required to pay thereof, and for any loss which you may sustain by reason of your inability to borrow the security, commodity, or other property sold.

11. At any time and from time to time, in your discretion, you may without notice to the undersigned apply and/or transfer any or all monies, securities, commodities and/or other property of the undersigned interchangeably between any accounts of the undersigned (other than from Regulated Commodity Accounts).

12. It is understood and agreed that the undersigned, when placing with you any sell order for short account, will designate it as such and hereby authorizes you to mark such order as being "short", and when placing with you any order for long account, will designate it as such and hereby authorizes you to mark such order as being "long". Any sell order which the undersigned shall designate as being for long account as above provided, is for securities then owned by the undersigned and, if such securities are not then deliverable by you from any account of the undersigned, the placing of such order shall constitute a representation by the undersigned that it is impracticable for him then to deliver such securities to you but that he will deliver them as soon as it is possible for him to do so without undue inconvenience or expense.

13. In all transactions between you and the undersigned, the undersigned understands that you are acting as the brokers of the undersigned, except when you disclose to the undersigned in writing at or before the completion of a particular transaction that you are acting, with respect to such transaction, as dealers for your own account or as brokers for some other person.

14. Reports of the execution of orders and statements of the accounts of the undersigned shall be conclusive if not objected to in writing, the former within two days, and the latter within ten days, after forwarding by you to the undersigned by mail or otherwise.

15. Communications may be sent to the undersigned at the address of the undersigned given below, or at such other address as the undersigned may hereafter give you in writing, and all communications so sent, whether by mail, telegraph, messenger or otherwise, shall be deemed given to the undersigned personally, whether actually received or not.

16. Any controversy between you and the undersigned arising out of or relating to this contract or the breach thereof, shall be settled by arbitration, in accordance with the rules, then obtaining, of either the Arbitration Committee of the Chamber of Commerce of the State of New York, or the American Arbitration Association, or the Board of Arbitration of the New York Stock Exchange, as the undersigned may elect. If the undersigned does not make such election by registered mail addressed to you at your main office within five (5) days after receipt of notification from you requesting such election, then the undersigned authorizes you to make such election in behalf of the undersigned. Any arbitration hereunder shall be before at least three arbitrators and the award of the arbitrators, or of a majority of them, shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction.

17. This agreement and its enforcement shall be governed by the laws of the State of New York and its provisions shall be continuous; shall cover individually and collectively all accounts which the undersigned may open or re-open with you, and shall enure to the benefit of your present organization, and any successor organization, irrespective of any change or changes at any time in the personnel thereof, for any cause whatsoever, and of the assigns of your present organization or any successor organization, and shall be binding upon the undersigned, and/or the estate, executors, administrators and assigns of the undersigned.

18. The undersigned, if an individual, represents that the undersigned is of full age, that the undersigned is not an employee of any exchange, or of any corporation of which any exchange owns a majority of the capital stock, or of a member of any exchange, or of a member firm or member corporation registered on any exchange, or of a bank, trust company, insurance company or of any corporation, firm or individual engaged in the business of dealing, either as broker or as principal, in securities, bills of exchange, acceptances or other forms of commercial paper. The undersigned further represents that no one except the undersigned has an interest in the account or accounts of the undersigned with you.

X *Louis Maione*
Very truly yours,

Dated, _____

LOUIS MAIONE

(City) (State)

CUSTOMER'S LOAN CONSENT

Until you receive written notice of revocation from the undersigned, you are hereby authorized to lend, to yourselves as brokers or to others, any securities held by you on margin for the account of, or under the control of, the undersigned.

SEC.

EXHIBIT

U. S. DIST. COURT
S. D. OF N. Y.

Dated, _____

(City) (State)

X *Louis Maione*
LOUIS MAIONE

JUN 21 1974

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JAMES G. McMAHON
24 WOODS LANE
SOUTHAMPTON, N. Y. 11968

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Pay to the
order of

Nov 16 1973
EDWARDS AND HANLEY
TWO THOUSAND FIVE HUNDRED SEVENTY ONE
\$2571.00
00/100
Dollars



FRANKLIN NATIONAL BANK
JERICHO, N. Y. 11753

Memo

CCY-23429-2880

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James G. McMahon
⑈0000257100⑈

EDWARDS & HANLY

In consideration of your accepting one or more accounts of the undersigned (whether designated by name, number or otherwise) and your agreeing to act as brokers for the undersigned in the purchase or sale of securities or commodities, the undersigned agrees as follows:

1. All transactions under this agreement shall be subject to the constitution, rules, regulations, customs and usages of the exchange or market, and its clearing house, if any, where the transactions are executed by you or your agents, and, where applicable, to the provisions of the Securities Exchange Act of 1934, the Commodities Exchange Act, and present and future acts amendatory thereof and supplemental thereto, and the rules and regulations of the Federal Securities and Exchange Commission, the Board of Governors of the Federal Reserve System and of the Secretary of Agriculture in so far as they may be applicable.

2. Whenever any statute shall be enacted which shall affect in any manner or be inconsistent with any of the provisions hereof, or whenever any rule or regulation shall be prescribed or promulgated by the New York Stock Exchange, the Federal Securities and Exchange Commission, the Board of Governors of the Federal Reserve System and/or the Secretary of Agriculture which shall affect in any manner or be inconsistent with any of the provisions hereof, the provisions of this agreement so affected shall be deemed modified or superseded, as the case may be, by such statute, rule or regulation, and all other provisions of the agreement and the provisions as so modified or superseded, shall in all respects continue and be in full force and effect.

3. Except as herein otherwise expressly provided, no provision of this agreement shall in any respect be waived, altered, modified or amended unless such waiver, alteration, modification or amendment be committed to writing and signed by a member of your organization.

4. All monies, securities, commodities or other property which you may at any time be carrying for the undersigned or which may at any time be in your possession for any purpose, including safekeeping, shall be subject to a general lien for the discharge of all obligations of the undersigned to you, irrespective of whether or not you have made advances in connection with such securities, commodities or other property, and irrespective of the number of accounts the undersigned may have with you.

5. All securities and commodities or any other property, now or hereafter held by you, or carried by you for the undersigned (either individually or jointly with others), or deposited to secure the same, may from time to time and without notice to me, be carried in your general loans and may be pledged, re-pledged, hypothecated or re-hypothecated, separately or in common with other securities and commodities or any other property, for the sum due to you thereon or for a greater sum and without retaining in your possession and control for delivery a like amount of similar securities or commodities.

6. Debit balances of the accounts of the undersigned shall be charged with interest, in accordance with your usual custom, and with any increases in rates caused by money market conditions, and with such other charges as you may make to cover your facilities and extra services.

7. You are hereby authorized, in your discretion, should the undersigned die or should you for any reason whatsoever deem it necessary for your protection, to sell any or all of the securities and commodities or other property which may be in your possession, or which you may be carrying for the undersigned (either individually or jointly with others), or to buy in any securities, commodities or other property of which the account or accounts of the undersigned may be short, or cancel any outstanding orders in order to close out the account or accounts of the undersigned in whole or in part or in order to close out any commitment made in behalf of the undersigned. Such sale, purchase or cancellation may be made according to your judgment and may be made, at your discretion, on the exchange or other market where such business is then usually transacted, or at public auction or at private sale, without advertising the same and without notice to the undersigned or to the personal representatives of the undersigned, and without prior tender, demand or call of any kind upon the undersigned or upon the personal representatives of the undersigned, and you may purchase the whole or any part thereof free from any right of redemption, and the undersigned shall remain liable for any deficiency; it being understood that a prior tender, demand or call of any kind from you, or prior notice from you, of the time and place of such sale or purchase shall not be considered a waiver of your right to sell or buy any securities and/or commodities and/or other property held by you, or owed you by the undersigned, at any time as hereinbefore provided.

8. The undersigned will at all times maintain margins for said accounts, as required by you from time to time.

9. The undersigned undertakes, at any time upon your demand, to discharge obligations of the undersigned to you, or, in the event of a closing of any account of the undersigned in whole or in part, to pay you the deficiency, if any, and no oral agreement or instructions to the contrary shall be recognized or enforceable.

10. In case of the sale of any security, commodity, or other property by you at the direction of the undersigned and your inability to deliver the same to the purchaser by reason of failure of the undersigned to supply you therewith, then and in such event, the undersigned authorizes you to borrow any security, commodity, or other property necessary to make delivery thereof, and the undersigned hereby agrees to be

EXHIBIT

U. S. DIST. COURT
S. D. OF N. Y.

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responsible for any loss which you may sustain thereby and any premiums which you may be required to pay thereof, and for any loss which you may sustain by reason of your inability to borrow the security, commodity, or other property sold.

11. At any time and from time to time, in your discretion, you may without notice to the undersigned apply and/or transfer any or all monies, securities, commodities and/or other property of the undersigned interchangeably between any accounts of the undersigned (other than from Regulated Commodity Accounts).

12. It is understood and agreed that the undersigned, when placing with you any sell order for short account, will designate it as such and hereby authorizes you to mark such order as being "short", and when placing with you any order for long account, will designate it as such and hereby authorizes you to mark such order as being "long". Any sell order which the undersigned shall designate as being for long account as above provided, is for securities then owned by the undersigned and, if such securities are not then deliverable by you from any account of the undersigned, the placing of such order shall constitute a representation by the undersigned that it is impracticable for him then to deliver such securities to you but that he will deliver them as soon as it is possible for him to do so without undue inconvenience or expense.

13. In all transactions between you and the undersigned, the undersigned understands that you are acting as the brokers of the undersigned, except when you disclose to the undersigned in writing at or before the completion of a particular transaction that you are acting, with respect to such transaction, as dealers for your own account or as brokers for some other person.

14. Reports of the execution of orders and statements of the accounts of the undersigned shall be conclusive if not objected to in writing, the former within two days, and the latter within ten days, after forwarding by you to the undersigned by mail or otherwise.

15. Communications may be sent to the undersigned at the address of the undersigned given below, or at such other address as the undersigned may hereafter give you in writing, and all communications so sent, whether by mail, telegraph, messenger or otherwise, shall be deemed given to the undersigned personally, whether actually received or not.

16. Any controversy between you and the undersigned arising out of or relating to this contract or the breach thereof, shall be settled by arbitration, in accordance with the rules, then obtaining, of either the Arbitration Committee of the Chamber of Commerce of the State of New York, or the American Arbitration Association, or the Board of Arbitration of the New York Stock Exchange, as the undersigned may elect. If the undersigned does not make such election by registered mail addressed to you at your main office within five (5) days after receipt of notification from you requesting such election, then the undersigned authorizes you to make such election in behalf of the undersigned. Any arbitration hereunder shall be before at least three arbitrators and the award of the arbitrators, or of a majority of them, shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction.

17. This agreement and its enforcement shall be governed by the laws of the State of New York and its provisions shall be continuous; shall cover individually and collectively all accounts which the undersigned may open or re-open with you, and shall enure to the benefit of your present organization, and any successor organization, irrespective of any change or changes at any time in the personnel thereof, for any cause whatsoever, and of the assigns of your present organization or any successor organization, and shall be binding upon the undersigned, and/or the estate, executors, administrators and assigns of the undersigned.

18. The undersigned, if an individual, represents that the undersigned is of full age, that the undersigned is not an employee of any exchange, or of any corporation of which any exchange owns a majority of the capital stock, or of a member of any exchange, or of a member firm or member corporation registered on any exchange, or of a bank, trust company, insurance company or of any corporation, firm or individual engaged in the business of dealing, either as broker or as principal, in securities, bills of exchange, acceptances or other forms of commercial paper. The undersigned further represents that no one except the undersigned has an interest in the account or accounts of the undersigned with you.

Very truly yours,

JMc *James G. McMahon*
James G. McMahon

12/24/73

Dated, _____

(City)

(State)

CUSTOMER'S LOAN CONSENT

Until you receive written notice of revocation from the undersigned, you are hereby authorized to lend, to yourselves as brokers or to others, any securities held by you on margin for the account of, or under the control of, the undersigned.

Dated, 12/24/73

JMc *James G. McMahon*
James G. McMahon

(City)

(State)

GEON

Edwards & Hanly

members of the
New York and American Stock Exchange
1 Whitehall Street, New York, N.Y. 10004
(212) 425-9000

File

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Memo to: Mr. Henry A. Behrens, Jr.

From: Research Department

Re: REQUEST FOR APPROVAL OF SOLICITED AND/OR DISCRETIONARY ORDERS IN GEON INDUSTRIES

Geon, an importer and distributor of foreign car replacement parts, has compiled a good growth record. Earnings increased without interruption from \$0.01 a share in 1967 to \$0.81 a share in 1972. Earnings for the six months ended June 30, 1973 rose approximately 20% to \$0.46 a share. The company has a respectable balance sheet--it is in good financial shape. It appears that a strong case could be made for purchasing Geon. Accordingly, we recommend that approval be granted.

November 1, 1973

Stanley Lanzet

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U. S. DIST. COURT
S. D. OF N. Y.

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REQUEST FOR APPROVAL FOR PLACEMENT OF SOLICITED AND/OR DISCRETIONARY ORDERS

TO: Henry A. Behrens, Jr.

FROM: Rosenfeld -260
Account Executive

- (1) Name of Issuer GEON IND. INC.
(use full name, not ticker symbol)
- (2) Description of Issuer's Business Foreign Automobile
replacement part field
- (3) When Issuer Formed _____
- (4) Number of Shares Outstanding Attached
- (5) Current Market Price _____
- (6) Exchange, if any, on which security is listed or if unlisted,
name of principal market maker ASE
- (7) Estimated number of shares which, if approved, would be
traded in this Branch Thousands
- (8) I believe the foregoing security is a suitable investment
for accounts with the following investment objective:
Growth - intermediate to long-term
- (9) Earnings History Attached

MEF
Signature of Account ExecutiveMEF
Signature of Branch Manager

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HAB

GEON INDUSTRIES, INC.
(A.S.E. Symbol: GON)

<u>Market Price</u>		<u>Earnings Per Share</u>			<u>Price/Earnings</u>		<u>Dividend</u>
<u>1973</u>		<u>Year Ended 12/31</u>			<u>1972</u>	<u>1973E</u>	
<u>Range</u>	<u>10/17/73</u>	<u>1971</u>	<u>1972</u>	<u>1973E</u>			
23-7	12	\$0.66	\$0.81	\$1.00	14.8	12.0	None

Capitalization 12/31/72

Long Term Debt	\$ 3,819,000	<u>%</u>
Common Equity	<u>12,000,000</u>	<u>75.5</u>
	\$15,889,000	100.0%

Common Shares 2,069,000 (28% closely held)

Daily Trading Volume: 7,000 Shares (average last 2 months)

SUMMARY AND CONCLUSION

Geon is by far the largest independent distributor of replacement parts for foreign automobiles in the United States. The company also exports automotive, aircraft, tractor, industrial and marine parts throughout the free world. Sales have grown from \$17 million in 1969 to over \$40 million in the year ended December 31, 1972, while earnings per share have increased from \$0.37 to \$0.81. Because of the readily documentable growth in the foreign car parts market and Geon's leading position in the field, we think Geon could achieve a compounded annual rate of growth in earnings over the next few years of as much as 30%. Geon shares, currently selling at 12 times our 1973 earnings estimate of \$1.00 appear significantly undervalued and under good stock market conditions could command a much higher multiple.

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Geon carries a broad line of replacement parts for over 95% of the foreign cars presently in use in the United States. Its catalogs list approximately 26,000 items, other than tires, batteries and radios. The company purchases the parts it distributes from 250 suppliers located in West Germany, the United Kingdom, the United States, Japan, Canada, France, Italy and Sweden. Geon's sales of foreign car replacement parts, which are distributed nationally, are made to over 220 distributors, 102 of which are company owned. These distributors in turn sell the parts to independent repair shops, franchised vehicle dealers, service stations and directly to the general public.

Geon's volume is not affected by the business cycle, since most foreign cars do not use replacement parts in substantial quantities until the third or fourth years. The increases in car imports during the last 9 years indicates that the number of foreign-made cars in the U.S. over three years old will double by 1976. Geon's market should grow at least 30% annually for the next few years. An established lead position in purchasing and marketing should enable Geon to grow as fast, if not faster, than the market as a whole.

FOREIGN CAR REPLACEMENT MARKET

Size of Foreign Car Market

In the mid 1950's there were only about 250,000 imported cars in the United States. Today the figure exceeds 9 million. Sales of foreign cars in the U.S. have increased annually in the last ten years, as indicated below.

<u>Year</u>	<u>Total of New Registrations</u>
1963	385,624
1964	484,131
1965	569,415
1966	658,123
1967	779,220
1968	935,767
1969	1,061,617
1970	1,230,961
1971	1,465,673
1972	1,615,700
1973 (E)	1,800,000

Source R.L. Polk and Co.

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Demand for Foreign Car Replacement Parts

Foreign-made automobiles generally begin to require a substantial number of replacement parts in their third year of life, and thereafter show a rising curve of parts consumption. We believe that the demand for foreign car replacement parts will grow at an annual rate approximating 30% during the next few years.

At the beginning of 1973 approximately 4,923,000 of the foreign-made cars on U.S. roads were at least three years old. The total number expected to be in use by year end is over 11 million, each of which will be at least three years old in 1976. We assume that all such cars of 1966 vintage and earlier (2.1 million) have been scrapped by 1976 (experience shows that foreign cars typically have a ten-year usable life). Deducting this scrappage figure gives an adjusted population estimate of 8.9 million foreign cars between three and ten years of age in 1976, almost double the number for 1973.

Where Replacement Parts Are Purchased

Today, about 80% of all replacement parts for American cars are distributed through independent parts distributors, with the balance being distributed by Detroit-sponsored new car dealers. In the foreign car field, however, the ratio is just the reverse: only about 20% of the replacement parts are distributed by independents. The chief reason is that foreign cars have only recently been sold in large quantities in the U.S. and owners have been forced to go to dealers for repairs. With increased availability of parts through Geon and others, we expect the foreign car replacement parts business by independents to develop much the same way as it has for U.S. cars.

Impact of Currency Devaluations

Many observers predicted that 1972 would witness a decline in sales of foreign-made cars. Phase I and the late 1971 international currency revaluations increased the costs of imports relative to domestic cars. In 1972 the major U.S. auto manufacturers vigorously promoted their compacts and sub-compacts in an effort to recapture the lower-end market. Despite these pressures, sales of imported cars in 1972 reached 1,596,219 units; up 4% from 1971. When foreign-made light trucks (which generally utilize many of the same replacement parts as the foreign-made cars) are included, the increase was approximately 10%. While the number of 1972 imports should not be an important factor in the replacement parts market until the mid-1970's and it is likely that increases in foreign car sales of the dimensions recorded in the 60's will not be seen again, we view 1972 as demonstrating the solidity of the imports' position

in the U.S. market.

We believe that the second devaluation of the dollar in early 1973 will not have a material adverse effect on sales of imported cars over any extended period. Three major reasons support our expectation: (1) Foreign cars get better gas mileage. As the cost of gasoline increases motorists will look to smaller, more economical vehicles for transportation. (2) Imported cars historically have had better resale value. (3) Once economic controls are removed we expect domestic car prices to increase, providing some offset to the devaluation of the dollar. Furthermore, the recent devaluation should not have any significant near-term effect on replacement parts sales, since such revenues are dependent upon the number of imported cars already in use.

Distributor Competition

The U.S. market for replacement parts of foreign-made cars is estimated at about \$1 billion per year. Geon, the largest independent distributor of such parts now has only a 4% share of the total estimated market; the top ten independent distributors in aggregate have less than 10%.

<u>Company</u>	<u>Foreign Car Parts Volume by Independent Distributors</u> (millions)
1 Geon	\$40
2 Beck Arnley	11
3 Western Automotive Warehouse Distributing (ITT Subsidiary)	10
4 Motor Car Parts	6
5 Maremont	4
6 Dana	<u>N.A.</u>
	71
Others	<u>120</u>
Total	\$201

Both Maremont and Dana recently entered the foreign car replacement parts market. These companies currently derive the bulk of their sales from domestic auto replacement parts. We would expect the growth in the foreign car market to attract additional larger companies; however, Geon with long experience in sourcing and buying parts outside the U.S. and cataloging and distributing them domestically, has developed a position of strength that should enable it to maintain and extend market share.

THE COMPANY

The company imports and distributes foreign car replacement parts throughout the United States and distributes throughout the free world United States manufactured automotive, aircraft, tractor, industrial, marine and other parts.

Divisional Operating ResultsSales (000)

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
Foreign Car Parts	\$10,817	\$13,841	\$19,859	\$26,006	\$32,606
Export Operations	6,587	6,531	7,359	7,704	8,012

Income Before Federal and State Income Taxes
(000)

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
Foreign Car Parts	\$588	\$1,145	\$1,595	\$2,061	\$2,312
Export Operations	338	450	510	523	837

Pre-tax Margins

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
Foreign Car Parts	5.8%	8.3%	8.0%	7.9%	7.1%
Export Operations	5.1	6.9	6.9	6.8	10.4

FOREIGN CAR REPLACEMENT PARTS OPERATIONS

Geon's foreign car replacement parts business accounted in 1972 for 80% of sales and 73% of profits before income taxes. At the present time the company does not manufacture any parts; it operates solely as an importer and distributor.

Parts for the Volkswagen, the most popular imported car in the United States, account for the largest part of the company's sales and represented approximately 35% of the company's foreign car replacement parts sales in 1972. No other make accounted for more than 10% of such sales. Profit margins on Volkswagen replacement parts worldwide has been decreasing as competition has steadily increased; however, sales of other foreign cars have been growing more rapidly in recent years.

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Purchase of Parts

The company purchases its parts from approximately 250 suppliers. About 45% of these purchases are from West Germany, 20% from the United Kingdom and 15% from the United States, with the balance coming principally from Japan, Canada, France, Italy and Sweden.

About 60% of the parts purchased by the company are purchased from the manufacturers who supplied the same equipment for the original car, with the balance coming from replacement parts manufacturers. The company's largest supplier, European Parts Exchange Inc., a re-manufacturer, accounted in 1972 for approximately 8% of the company's purchases, and in that year the company's five largest suppliers accounted for approximately 23% of its purchases.

Inventory

Generally, the parts distributed by the company nationally are shipped to the company's warehouses in Woodbury, New York and Compton, California where they are held for delivery against orders. Since the lead time between placement of orders for parts from overseas and their delivery varies between 3 and 12 months (average 4 months), continued maintenance of adequate inventory is fundamental to the business. Geon utilizes an electronic data processing service to monitor its supply of, and the demand for, each of the thousands of parts it carries. The cost of the computer program to date has been approximately \$300,000, of which about \$125,000 remains to be written off over the next four years. The system is constantly being updated, for example; in 1972 a branch inventory system for all company owned stores was programmed. It did not prove effective and was rewritten in 1973.

Geon's warehousing, selling, general and administrative expenses increased from 24.9% sales in 1969 to 33.3% in 1972 because of rapid expansion in the number of company-owned sales outlets. In addition, the business has outgrown the current 120,000 square-foot warehouse at Woodbury, Long Island, New York effecting efficiency of operations to some extent. A move to a more modern 200,000 square-foot plant on Long Island some time in 1974 is under consideration. Start-up costs should have relatively little impact on earnings.

Distribution and Sales

Sales of foreign car replacement parts are made to approximately 220 outlets, of which 102 currently are company-owned. The remainder are independent or local operations. By the end of 1973 three or four more company owned stores should come on stream with an additional 15 or more planned for 1974. We would expect that over the next few years the company will aggressively add to the number

of company-owned stores both through acquisition of existing outlets and establishment of new locations.

Number of Company-Owned Distributors

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973E</u>	<u>1974E</u>
Acquired	-	4	8	22	49	53	60
Start-up	<u>3</u>	<u>5</u>	<u>13</u>	<u>24</u>	<u>44</u>	<u>53</u>	<u>60</u>
Total	3	9	21	46	93	106	120

The average company-owned store is approximately 4,000 square feet in size, does an average of \$300,000 in annual volume, and turns its inventory twice annually. One of the company's primary goals is to increase inventory turnover to 3 1/2 times annually within the next few years. It should be able to accomplish this through increased efficiency of operations and increased volume because of the higher number of older cars on the road.

In 1972 sales by company-owned and exclusive outlets (including minor sales of products purchased from others) accounted for 74% of the company's import sales. The remaining volume of national warehouse sales is made primarily to independent distributors. Most of the independent distributors operate under contracts terminable by either party on thirty day's notice. The largest independent distributor accounted for approximately 2% of national warehouse sales.

Generally the company has only one distributor in an area and typically that distributor, whether independent or company-owned, will purchase the majority of the parts it sells from the company although the distributor will normally also purchase parts from others.

Approximately 25% of the parts distributed nationally by the company are marketed under the company's BAP/GEON trademark; the balance is sold under the brand names of various parts manufacturers.

Within the last few months Geon entered into an exclusive agreement with Holly Inc., a distribution subsidiary of Colt Industries, with sales of \$120 million, whereby Holly will for the first time distribute foreign car replacement parts. The parts will be supplied by Geon under a new "Ultra" products label. It is our belief that within three years time Geon could generate \$6-\$9 million in annual sales from "Ultra" products.

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EXPORT OPERATIONS

In 1972 operations of the export division accounted for 20% of its sales and 27% of profits before income taxes. These operations include the export of automotive, aircraft, and other parts to almost every country in the free world and the sale of aircraft parts in the United States primarily to the major airlines. Approximately 50% of export division sales in 1972 were made in Europe and the Middle East, 40% in Central and South America and Canada, 7% in the United States, and the balance in the Far East, Africa and Australia.

The largest customer accounted for approximately 6% of export divisional sales and the five largest customers for less than 20%.

Aircraft parts - During 1972 aircraft parts sales approximated \$3 million. Parts are sold primarily to airplane and engine manufacturers, airlines, governments and other users. The company maintains a staff of 14 full-time overseas salesmen engaged in the sale of aircraft parts.

Aircraft parts are purchased from approximately 750 manufacturers. Substantially all aircraft parts are sold under the company's "American Aviation" brand.

Automotive parts - Principally for trucks, accounted for about \$4 million or 50% of export sales.

Most of the automotive products exported by the company are purchased by it from the manufacturer pursuant to a contract under which the company exports the manufacturer's products, typically under the manufacturer's brand and generally on an exclusive basis. The company also purchases parts from a variety of suppliers and exports them mainly under its "Geon" and "Ultra" brand names.

The company does not maintain an extensive inventory of parts. Typically it orders parts for shipment only against receipt of orders from its customers.

With the exception of sales to purchasers of established credit standing in particularly stable countries, Geon generally insures the accounts receivable generated by its export division sales of United States manufactured parts through Foreign Credit Insurance Association. F.C.I.A., an association of the Export-Import Bank and various insurance companies, provides insurance against political risks covering 95% of the amount of the receivable and insurance against prudently assumed economic risks covering 90% of such amount.

EARNINGS

Sales for the year ended December 31, 1972 rose 20.4%. After-tax margins, shown in the table below, improved slightly, primarily because of a 47% tax rate, compared to 51.1% in the previous year. Federal and State income taxes were reduced because of (1) special deductions or permanent reductions of income taxes allowed to certain of the company's subsidiaries, which qualify as Western Hemisphere Trade Corporations or Domestic International Sales Corporations and (2) utilization of investment tax credits. We believe that calendar 1973 tax rates will be more in line with the company's average of 49% over the past five years.

Comparative Earnings Statistics

Year Ended 12/31	Sales (mil)	<u>Net Income</u>		Pre-Tax Margin	Tax Rate	After Tax Margins	Average Shares Outstanding (000)
		Amount (000)	Per Share				
1973 (E)	\$49.5	\$2,100	\$1.00	8.0%	48.0%	4.2%	2,069
1972	40.6	1,666	.81	7.7	47.0	4.1	2,061
1971	33.7	1,261	.66	7.6	51.1	3.9	1,899
1970	27.2	1,052	.61	7.7	49.9	3.8	1,716
1969	20.3	804	.50	7.8	49.5	3.9	1,614
1968	17.4	500	.37	5.3	45.9	2.9	1,347

Revenues, net income and earnings per share for the six months ended June 30, were in accordance with our projections. The table below shows an analysis of those results.

<u>Revenues (000)</u>	<u>Import</u>	<u>Export</u>	<u>Total Corporate</u>
Six months June 30, 1973	\$18,422	\$4,591	\$23,013
Six months June 30, 1972	14,953	4,259	19,212
% Change	+23.2%	+7.8%	+19.8%
<u>Earnings (000)</u>	<u>Import</u>	<u>Export</u>	<u>Total Corporate</u>
Six months June 30, 1973	\$655	\$287	\$942
Six months June 30, 1972	532	238	770
% Change	+23%	+21%	%

Earnings per share for the six months ended June 30, advanced 21% to \$0.46 from \$0.38. We would expect that per share net for the final six months of 1973 will show percentage gains similar to the first half.

Preliminary 1974 projections indicate that earnings per share could exceed \$1.20 on sales of over \$60 million. Our projection assumes little growth in the export business. (See appendix for full income statements, including 1973 projections, and balance sheet).

FINANCIAL AND DIVIDEND POLICY

Internally generated funds have been insufficient to finance the rapid growth of the company, even though return on equity is rising and should exceed 15% this year. We believe that an equity financing will be done in 1974, assuming the price of the stock is in the mid-twenties, or higher. The proceeds will be used for further expansion.

Within the last six months Geon has secured additional financing arrangements with Massachusetts Mutual and New England Mutual for \$6 million at 8 1/2% due in 1988. A \$10 million revolving credit arrangement with Franklin National Bank at 3/4% over prime with a five year privilege to convert the credit to long-term debt has also been negotiated. These financial arrangements insure Geon adequate availability of capital through 1974 even if an equity offering is not completed. Although the company has never paid a dividend it would not be surprising to see a token initial payment made in early 1974.

Balance Sheet and Income Statement Items

Deferred Income Taxes - The provision for Federal and State income taxes includes \$39,000 in 1970, \$86,000 in 1971 and \$154,000 in 1972 for deferred Federal income taxes associated with transactions recorded in the financial statements in a period different from the period in which these transactions are reported for income tax purposes. These deferred taxes relate primarily to 1) accelerated depreciation claimed for tax purposes which is in excess of straight-line depreciation used for financial reporting purposes and 2) certain computer costs which are capitalized and amortized for financial reporting purposes but have been deducted as incurred for income tax purposes. No investment tax credits were utilized in 1970. In 1971 and 1972 investment tax credits reduced the provision for federal income taxes by \$27,000 and \$31,000 respectively.

The number of company-owned stores opened in 1973 should approximate 13 compared to 47 in 1972. Consequently, we would expect a smaller percentage increase in deferred taxes next year.

For reporting purposes, furniture, fixtures and related items purchased for newly opened company stores are capitalized over the life of the lease which usually runs about five years.

MANAGEMENT

Top management has been with the company since its early days. George Neuwirth, founder of Geon is a very "young" 70 years old and is credited with changing the company from an exporter of parts to an importer of foreign car replacement parts. During the past few years Mr. Neuwirth has become less active in the day to day operations of the business but still exerts his influence on important policy decisions. His son, Peter, has been with the company for over thirteen years and is a very capable chief operating officer. In addition, he is involved to a great extent in the purchasing of import parts from European suppliers. Otto Hays and Michael Pisciotta, Senior Vice Presidents, have been with the company twenty years and thirteen years respectively. Frank Bloom, who has been with the company for almost five years, is Vice President and Chief Financial Officer. He has been instrumental in the installation of various complex cost control mechanisms. Beneath the top five, and adding further management depth, is a well compensated and capable second tier of executives.

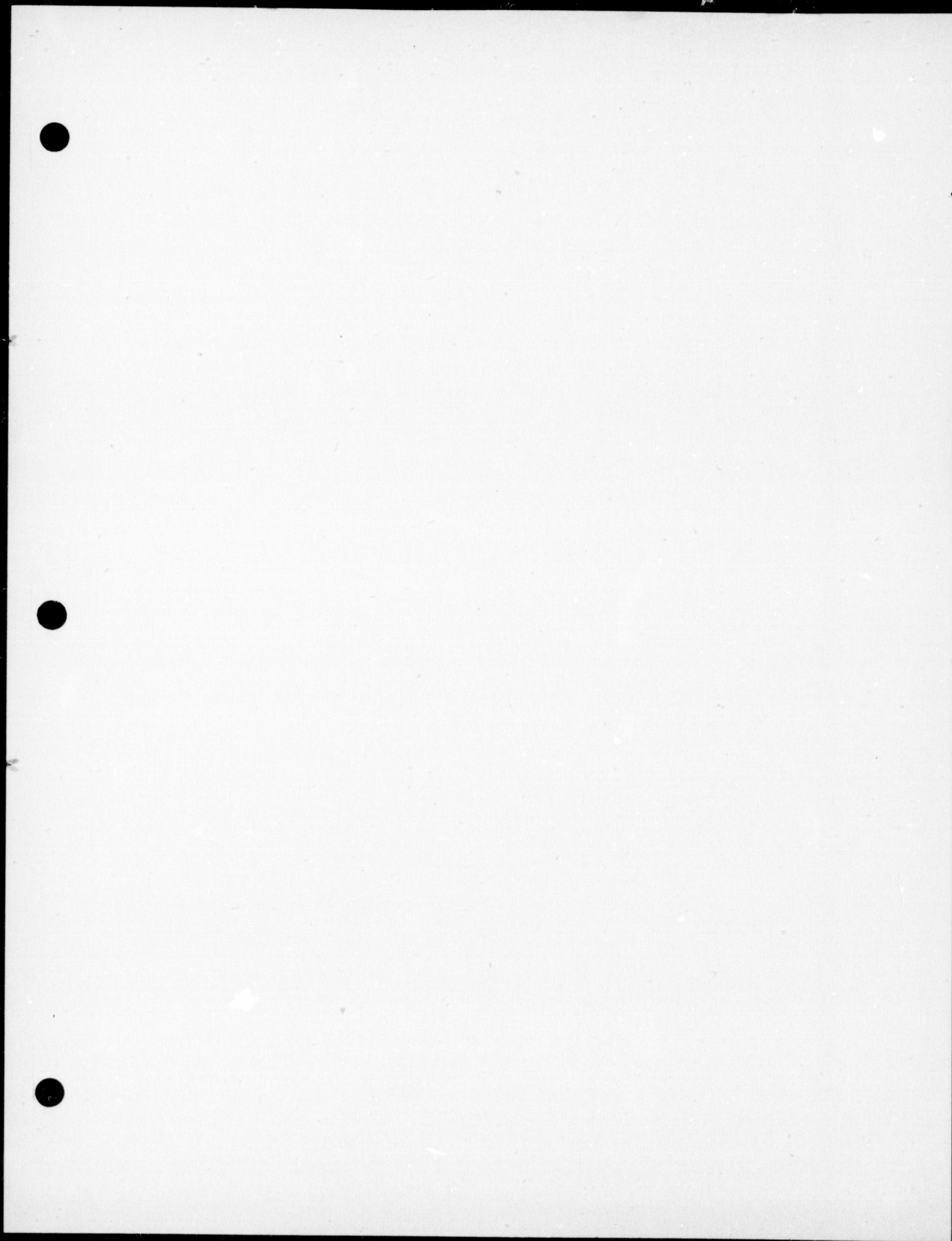
STOCK PRICE AND RECOMMENDATION

Geon became a public corporation in May of 1969. The price history of the stock appears below.

	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
1				
Earnings per share	\$.40	\$.51	\$.65	\$.81
Price Range	8 - 3	10-5	24-10	28-18
Price/Earnings Range	20-7	19-10	37-15	34-22

1. Adjusted in 1972 3-for-2 split.

The shares performed well after the offering. The price/earnings ratio range rising each year and reaching a high point of 37 times. As a result of a weak stock market during the first seven months of 1973 the shares fell to a low multiple of 7 times. We believe an upward revaluation of the stock is possible, to a P/E ratio of at least 25, the average for the last two years.



Geon shares currently sell at 12 times our \$1.00 per share earnings estimate for 1973, and under 11 times our minimum projection of \$1.20 per share for 1974. We believe the shares offer a very favorable risk-reward potential to investors willing to accept high risk.

October 17, 1973

Mark A. Boyar

	Year ended December 31,				
	1969	1970	1971	1972	1973 (E)
Net sales:					
Foreign car replacement parts	\$13,841,261	\$19,858,799	\$26,006,209	\$32,605,792	\$41,000,000
Export parts	6,530,980	7,359,408	7,703,523	8,012,029	8,500,000
Net sales	\$20,372,241	\$27,218,207	\$33,709,732	\$40,617,821	\$49,500,000
Cost of sales	13,258,325	17,070,763	20,221,831	23,457,230	27,300,000
Gross profit	\$ 7,113,916	\$10,147,439	\$13,487,916	\$17,160,591	\$21,780,000
Warehouse, selling, general administrative expenses	5,088,422	7,628,163	10,396,092	13,482,549	17,200,000
Income from operations	\$ 2,025,494	\$ 2,519,276	\$3,091,824	\$ 3,678,042	\$ 4,580,000
Interest expense, net	430,763	414,026	507,906	528,376	620,000
Income before Federal and State income taxes	\$ 1,594,731	\$ 2,105,190	\$2,583,918	\$ 3,149,666	\$ 3,960,000
Provision for Federal and State income taxes	790,618	1,052,197	1,322,223	1,483,000	1,900,000
Net income	\$ 804,113	\$ 1,052,993	\$1,261,695	\$ 1,666,666	\$ 2,060,000
Earnings per share	\$.50	\$.61	\$.66	\$.81	\$1.00 (E)

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SUMMARIZED BALANCE SHEET
(millions)

ASSETS

	<u>12-31-72</u>	<u>12-31-71</u>
Cash	\$2.1	\$3.1
Accounts, notes and drafts receivable	6.9	6.8
Inventories	18.5	14.4
Prepaid Expenses	<u>6</u>	<u>5</u>
TOTAL CURRENT ASSETS	<u>\$28.1</u>	<u>\$24.8</u>
PROPERTY, PLANT AND EQUIPMENT, AT COST	<u>\$ 2.8</u>	<u>\$ 2.4</u>
COST IN EXCESS OF NET UNDERLYING BOOK VALUE OF ASSETS ACQUIRED	<u>.6</u>	<u>.4</u>
OTHER ASSETS	<u>.4</u>	<u>.8</u>
	<u>\$31.9</u>	<u>\$28.4</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>12-31-72</u>	<u>12-31-71</u>
Notes payable	\$10.6	\$7.2
Drafts and accounts payable	4.5	5.2
Accrued liabilities	.5	.6
Income taxes payable	<u>.2</u>	<u>.5</u>
TOTAL CURRENT LIABILITIES	<u>\$15.8</u>	<u>\$13.5</u>
LONG TERM DEBT	<u>\$ 3.8</u>	<u>\$ 4.6</u>
DEFERRED FEDERAL INCOME TAXES	<u>.3</u>	<u>.2</u>
TOTAL SHARE- HOLDERS' EQUITY	<u>\$12.0</u>	<u>\$10.1</u>
	<u>\$31.9</u>	<u>\$28.4</u>

Members of the New York and
American Stock Exchange, Inc

Research Department

One Whitehall Street
New York, NY 10004
Telephone 212 425 0700

142a

Edwards & Hanly

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

May 28, 1974

JUN 21 1974

Mr. Raleigh Gilbert
c/o Edwards & Hanly
200 N. Franklin Street
Hempstead, New York

Dear Mr. Gilbert;

In response to your request for the prices (High & Low) of Geon Industries Inc. for the weeks ending from September 1973 to February 1974, according to the sources available to the Research Dept., I submit the following prices.

<u>Weeks Ending</u>	<u>High</u>	<u>Low</u>
9/7/73	12	10 1/2
9/14/73	11 1/8	10 1/4
9/21/73	13 5/8	11 1/8
9/28/73	13 7/8	12 7/8
10/5/73	13 1/2	11 7/8
10/12/73	13 1/4	11
10/19/73	14 3/4	11 3/8
10/26/73	14 1/4	13 1/8
11/2/73	13 1/2	12 3/8
11/9/73	13 3/8	12 5/8
11/16/73	12 1/4	9 1/4
11/23/73	9 3/4	8 3/4
11/30/73	10 3/4	8 5/8
12/7/73	13 3/4	11 1/8
12/14/73	13	10 3/4
12/21/73	14 1/8	9 3/8
12/28/73	13 5/8	12 1/4
1/4/74	13 5/8	12 1/2
1/11/74	13 7/8	13 1/8
1/18/74	14 3/8	13 1/2
1/25/74	14 5/8	13 3/4
2/1/74	14 3/8	13 7/8
2/8/74	14 1/4	13 3/4
2/15/74	14 7/8	14
2/22/74	14 7/8	11 7/8

On 2/25/74 trading on the American Stock Exchange was halted.

Very truly yours,

Mrs. Katherine Sugarman

Katherine Sugarman

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

JUN 21 1974

143a

When Completed, send to:

NEW YORK STOCK EXCHANGE, INC.
DEPARTMENT OF MEMBER FIRMS
CONDUCT DIVISION
4 NEW YORK PLAZA
NEW YORK, N. Y. 10004

NEW YORK STOCK EXCHANGE, INC.

DEPARTMENT OF MEMBER FIRMS

SUBMISSION OF REQUIRED INFORMATION PERTAINING TO REGISTERED EMPLOYEES
(SEE RULE 351 AND RULE 345.17(I))

PLEASE TYPEWRITE INFORMATION

1. RAUCH, MARVIN ALLEN
(Name of Employee)
2. Registered Representative
(Capacity or Title)
3. EDWARDS & HANLY
(Name of Member Organization)
4. HEWLETT
(Office of Employment)

5. If any registered employee has ever been or is the subject of any of the items listed below, check the appropriate item(s) and on the reverse (page 2) side provide details including dates, parties involved, origin and basis for the action taken by the party instituting the action, applicable statute, code, regulation or rule alleged to be violated, present status including description of final determination and penalty(ies) imposed, if applicable.

☒ Any investigation or proceeding by any governmental or securities industry self-regulatory body; or

☐ A refusal of registration, injunction, censure, suspension, expulsion or other disciplinary action by any governmental or securities industry self-regulatory body; or

☐ A major complaint by a customer of a member organization or by a broker-dealer in securities; or

Mr Rauch has been indefinitely suspended from employment by this firm pending the resolution of inquiries by this firm, the ASE and SEC into the circumstances surrounding his sale of shares of GEOL INDUSTRIES INC (GOW, ASE) for his own account and certain of his customers accounts on Friday Feb 22 1974.

- ☒ A disciplinary action by a member organization; or
- _____ Any litigation or arbitration alleging the violation by the registered employee of any agreement with or provision of any securities industry self-regulatory body's, constitution, by-laws, or rules or any securities law or regulation; or
- _____ Any bankruptcy or contempt proceeding, cease and desist order, injunction or civil judgment as party defendant; or
- _____ Any arrest, summons, arraignment, indictment or conviction for a criminal offense (other than minor traffic violations); or
- _____ Any material allegation that he has conducted himself in a way which may be inconsistent with just and equitable principles of trade, or detrimental to the interest and welfare of the Exchange, or contrary to an established practice of the Exchange; or
- _____ Any violation(s) of any provision(s) of the Constitution or of any rule(s) adopted by the Board of Governors or of any securities law(s) or regulation(s) or of any agreement(s) with the Exchange (such employee shall also promptly notify his employer thereof).

Whenever a registered employee is required to notify his member firm and/or whenever a member or member organization knows that any of its registered employees is required to give the notice setting forth the above information, the employee and the general partner or the principal executive officer of his member organization shall jointly sign and date this form.

Date _____

Signature of Registered Employee

Date 5 Mar 1 1974

Signature of General Partner or
Principal Executive Officer

Copies of this form are obtainable at Subscription and Distribution Division, 11 Wall Street, New York, New York.

DO NOT WRITE IN THIS SPACE

Form No. RE 4

DO NOT WRITE IN THIS SPACE

Record _____

Directory _____

**The New York Stock
Exchange**

 Registration
Section

New York Stock Exchange, Inc. 55 Water Street New York, N. Y. 10041

**NOTICE OF DISCONTINUANCE
OF REGISTERED EMPLOYEE**

1. Marvin Allen Rauch
(Name of Employee)
2. Registered Representative
(Capacity)
3. Edwards & Hanly
(Name of Firm)
4. 1300 Peninsula Blvd., Hewlett, New York
(Office of Employment)
5. 1069 Channel Road, Hewlett, N.Y. 11557
(Present Home Address)

6. Date of Discontinuance 4/9/74

7. Reason for Discontinuance:

- Voluntary resignation _____
- Permitted to resign _____
- Discharged XXX _____
- Deceased _____
- Other _____

(Check One)

If known, name of next employer Hayden Stone

8. Within your knowledge and the records of your firm, was he (she) ever subject of
- (a) an investigation or proceeding by any governmental or securities industry regulatory body
- (b) a refusal of registration, censure, suspension, expulsion or other discipline by any governmental or securities industry regulatory body
- (c) any major complaint by a customer of your firm
- (d) any disciplinary action by your firm

YES NO

X** **see
attach

 _____ X

 _____ X
X** SEE ATTACHE

or has he (she) ever

- (e) violated any provision of the NYSE Constitution or Rules or of any securities law or regulation
- (f) violated any of his (her) agreements with the Exchange
- (g) conducted himself (herself) in a way which may be inconsistent with just and equitable principles of trade, detrimental to the interest and welfare of the Exchange, or contrary to an established practice of the Exchange.

X** SEE ATTACHE

X** SEE ATTACH

X** SEE ATTACH

Aside from the foregoing, do you know of any reason why the subject should not be employed by another member or member organization?

X** SEE ATTACH.

* Give full details on the other side for any "yes" answer above or for any answer marked by an asterisk (*). If not practicable to embody information in this form, please communicate otherwise with the Department of Member Firms.

4/19/74

A n n o u n c e m e n t

RE-4 - Marvin Rauch

Mr. Rauch is the subject of an investigation by the American Stock Exchange and has been named as a defendant in the suit by the Securities & Exchange Commission alleging that Mr. Rauch, (1) used material non-public information in connection with certain securities transactions in Geon Industries, Inc. stock, (2) violated or aided in the violation of Federal Reserve Board Regulations T and X and, (3) testified falsely before the American Stock Exchange.

Mr. Rauch was suspended by Edwards & Hanly for approximately one month pending our investigation of facts, and he was discharged in recognition of the conflict in interests between our respective positions in the pending suit by the Securities & Exchange Commission.

Edwards & Hank
200 NORTH FRANKLIN STREET
MEMPHIS 442 NEW YORK 11551
(212) 895-5800 (212) 895-4700

MEMBERS
NEW YORK STOCK EXCHANGE INC.
AMERICAN STOCK EXCHANGE

THE OTHER THAN BIDDING AND OFFERING INFORMATION IS SUBJECT TO THE SECURITIES ACT AND THE SECURITIES AND EXCHANGE ACT OF 1933 AND THE SECURITIES AND EXCHANGE ACT OF 1934. ANY INFORMATION CONTAINED HEREIN IS NOT TO BE USED FOR ANY PURPOSE OTHER THAN THAT FOR WHICH IT IS INTENDED. ANY INFORMATION CONTAINED HEREIN IS NOT TO BE USED FOR ANY PURPOSE OTHER THAN THAT FOR WHICH IT IS INTENDED.

YOU SOLD	DESCRIPTION	PRICE
100	CECN INDUSTRIES INC	14 1/8

TRADE DATE AND NO. YOUR ACCOUNT NO. REG. REP. YOUR IRS NO.
0221701010R900423140 10869123206444211

PRINCIPAL 141250
COMMISSION 375
STATE TAX 375
SEC FEE 3

MISS MARY ABRAHAMIAN
120 EAST 58 ST
NEW YORK N Y

10022

NET AMOUNT 1,375.33
SETTLEMENT DATE 03/01/74

WE CONFIRM THE ABOVE TRANSACTION SUBJECT TO THE TERMS AND CONDITIONS HEREON AND THE SECURITIES ACT AND THE SECURITIES AND EXCHANGE ACT OF 1933 AND THE SECURITIES AND EXCHANGE ACT OF 1934.

Edwards & Hank
200 NORTH FRANKLIN STREET
MEMPHIS 442 NEW YORK 11551
(212) 895-5800 (212) 895-4700

MEMBERS
NEW YORK STOCK EXCHANGE INC.
AMERICAN STOCK EXCHANGE

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YOU BOUGHT	DESCRIPTION	PRICE
100	PRECIOUS METALS HOLDINGS INC	15
	PROSPECTUS ENCL	ACT

TRADE DATE AND NO. YOUR ACCOUNT NO. REG. REP. YOUR IRS NO.
0228740078300923615 110755100247404961

PRINCIPAL 150000

MRS BARBARA BORDEN
743 GILBERT PL
W CONNEE N Y

11581

NET AMOUNT 1,500.00
SETTLEMENT DATE 02/28/74

WE CONFIRM THE ABOVE TRANSACTION SUBJECT TO THE TERMS AND CONDITIONS HEREON AND THE SECURITIES ACT AND THE SECURITIES AND EXCHANGE ACT OF 1933 AND THE SECURITIES AND EXCHANGE ACT OF 1934.

Edwards & Hank
200 NORTH FRANKLIN STREET
MEMPHIS 442 NEW YORK 11551
(212) 895-5800 (212) 895-4700

MEMBERS
NEW YORK STOCK EXCHANGE INC.
AMERICAN STOCK EXCHANGE

THE OTHER THAN BIDDING AND OFFERING INFORMATION IS SUBJECT TO THE SECURITIES ACT AND THE SECURITIES AND EXCHANGE ACT OF 1933 AND THE SECURITIES AND EXCHANGE ACT OF 1934. ANY INFORMATION CONTAINED HEREIN IS NOT TO BE USED FOR ANY PURPOSE OTHER THAN THAT FOR WHICH IT IS INTENDED. ANY INFORMATION CONTAINED HEREIN IS NOT TO BE USED FOR ANY PURPOSE OTHER THAN THAT FOR WHICH IT IS INTENDED.

YOU SOLD	DESCRIPTION	PRICE
600	CECN INDUSTRIES INC	14 3/8

TRADE DATE AND NO. YOUR ACCOUNT NO. REG. REP. YOUR IRS NO.
0424740107400423429 10869006421794011

PRINCIPAL 862500
COMMISSION 15500
STATE TAX 2250
SEC FEE 13

MR LOUIS MAIGNE
1585 OCELL ST
BFCAX N Y

10462

NET AMOUNT 8,446.33
SETTLEMENT DATE 03/01/74

WE CONFIRM THE ABOVE TRANSACTION SUBJECT TO THE TERMS AND CONDITIONS HEREON AND THE SECURITIES ACT AND THE SECURITIES AND EXCHANGE ACT OF 1933 AND THE SECURITIES AND EXCHANGE ACT OF 1934.

ONLY COPY AVAILABLE

Edwards & Hank

MEMBERS
NEW YORK STOCK EXCHANGE INC.
AMERICAN STOCK EXCHANGE

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Edward & Hank
200 NORTH FRANKLIN STREET
Hempstead, New York 11551
(516) 499-4400

MEMBERS
NEW YORK STOCK EXCHANGE INC.
AMERICAN STOCK EXCHANGE

YOUR C/D	DESCRIPTION	PRICE
500	CECN INDUSTRIES INC	14

TRADE DATE AND NO YOUR ACCOUNT NO REG REP YOUR IRS NO

07227-0108800423029 2080305826756214

ROSEN & REARD
ATTN: COLLEBERG
10 EAST 40 ST
NEW YORK N.Y.

10016

IN ACCOUNT WITH
MRS ROSALYN J RAUCH

PRINCIPAL
COMMISSION
STATE TAX
SEC FEE

NET AMOUNT

SETTLEMENT DATE 07/01/76

BY COPYING THE ABOVE TRANSACTION TO THE TRADE AND EXCHANGES SYSTEMS AND THE RECEIPT OF THE TRADE AND EXCHANGES SYSTEMS, THE BUYER AND SELLER AGREE TO THE TERMS AND CONDITIONS OF THE TRANSACTION.

DUPLICATE

Edward & Hank
200 NORTH FRANKLIN STREET
Hempstead, New York 11551
(516) 499-4400

MEMBERS
NEW YORK STOCK EXCHANGE INC.
AMERICAN STOCK EXCHANGE

YOUR C/D	DESCRIPTION	PRICE
100	CECN INDUSTRIES INC	14

TRADE DATE AND NO YOUR ACCOUNT NO REG REP YOUR IRS NO

07227-0108800423021 2080306101206214

MRS ELIZABETH PRINGLE
355 EAST 83 ST
NEW YORK N.Y.

10028

PRINCIPAL
COMMISSION
STATE TAX
SEC FEE

NET AMOUNT

SETTLEMENT DATE 07/01/76

BY COPYING THE ABOVE TRANSACTION TO THE TRADE AND EXCHANGES SYSTEMS AND THE RECEIPT OF THE TRADE AND EXCHANGES SYSTEMS, THE BUYER AND SELLER AGREE TO THE TERMS AND CONDITIONS OF THE TRANSACTION.

Edward & Hank
200 NORTH FRANKLIN STREET
Hempstead, New York 11551
(516) 499-4400

MEMBERS
NEW YORK STOCK EXCHANGE INC.
AMERICAN STOCK EXCHANGE

YOUR C/D	DESCRIPTION	PRICE
400	CECN INDUSTRIES INC	14 3/8

TRADE DATE AND NO YOUR ACCOUNT NO REG REP YOUR IRS NO

07227-0108400423051 208030100341686214

MR JAMES McMAHON
24 WOODS LANE
SOUTHAMPTON N.Y.

PRINCIPAL
COMMISSION
STATE TAX
SEC FEE

NET AMOUNT

SETTLEMENT DATE 07/01/76

BY COPYING THE ABOVE TRANSACTION TO THE TRADE AND EXCHANGES SYSTEMS AND THE RECEIPT OF THE TRADE AND EXCHANGES SYSTEMS, THE BUYER AND SELLER AGREE TO THE TERMS AND CONDITIONS OF THE TRANSACTION.

Investment attached

Edward & Hank

MEMBERS
NEW YORK STOCK EXCHANGE INC.

Edward & Hank
200 NORTH FRANKLIN STREET
NEW YORK, N.Y. 10038
(212) 693-8410

MEMBERS
NEW YORK STOCK EXCHANGE INC.
AMERICAN STOCK EXCHANGE

DESCRIPTION	PRICE
700 GECN INDUSTRIES INC	14

TRADE DATE AND NO. YOUR ACCOUNT NO. REG. REP. YOUR IRS NO.
02227-01109700422587 10890087050530214

PRINCIPAL 280000
COMMISSION 6517
STATE TAX 750
SEC FEE 5

MR HERBERT EIDE
1305 CHAMBERLAIN
NEWLETT PARK N.Y.

11557

NET AMOUNT 2,777.32

SETTLEMENT DATE 03/01/74

Cancellation attached

Edward & Hank
200 NORTH FRANKLIN STREET
NEW YORK, N.Y. 10038
(212) 693-8410

MEMBERS
NEW YORK STOCK EXCHANGE INC.
AMERICAN STOCK EXCHANGE

DESCRIPTION	PRICE
700 GECN INDUSTRIES INC	14

TRADE DATE AND NO. YOUR ACCOUNT NO. REG. REP. YOUR IRS NO.
02227-01109700422587 10890087050530214

PRINCIPAL 280000
COMMISSION 6517
STATE TAX 750
SEC FEE 5

MR ALLEN VERGHE
122 EATON LANE
WEST ISLIP N.Y.

11795

NET AMOUNT 2,103.00

SETTLEMENT DATE 03/01/74

WE CONFIRM THE ABOVE TRANSACTION SUBJECT TO THE TERMS AND CONDITIONS HEREON AND THE REGISTRATION OF THE SECURITIES

Edward & Hank
200 NORTH FRANKLIN STREET
NEW YORK, N.Y. 10038
(212) 693-8410

MEMBERS
NEW YORK STOCK EXCHANGE INC.
AMERICAN STOCK EXCHANGE

DESCRIPTION	PRICE
500 GECN INDUSTRIES INC	14

TRADE DATE AND NO. YOUR ACCOUNT NO. REG. REP. YOUR IRS NO.
02227-01109700422587 10890087050530214

PRINCIPAL 700000
COMMISSION 13225
STATE TAX 1875
SEC FEE 10

MRS REGALYN J FAUCH
15 WEST 72 ST
NEW YORK N.Y.

10023

NET AMOUNT 6,978.38

SETTLEMENT DATE 03/01/74

WE CONFIRM THE ABOVE TRANSACTION SUBJECT TO THE TERMS AND CONDITIONS HEREON AND THE REGISTRATION OF THE SECURITIES

ORIGINAL

Edward & Hank

MEMBERS
NEW YORK STOCK EXCHANGE INC.
AMERICAN STOCK EXCHANGE

MRS SARITA F SPIEGEL
25 N-FTUNE AVE
BROOKLYN N Y

NET AMOUNT

21,440.00

SETTLEMENT DATE

03/11/74

WE PLEDGE THE ABOVE TRANSACTION SUBJECT TO THE TERMS AND CONDITIONS HEREIN AND THE SECURITIES ACT OF 1933 AND THE SECURITIES ACT OF 1934.

Edwards & Hank
200 NORTH FRANKLIN STREET
HEMPSTEAD NEW YORK 11551
(212) 885 5800 (516) 516 4700

MEMBERS
NEW YORK STOCK EXCHANGE INC
AMERICAN STOCK EXCHANGE

YOU BOUGHT	DESCRIPTION	PRICE
X 4400	GREEN INDUSTRIES INC CANCELLATION AS OF 02/22/74	13 3/4

TRADE DATE AND NO	YOUR ACCOUNT NO	REG REP	YOUR IRS NO	STATES	PRINCIPAL COMMISSION	STATE TAX	SEC FEE
03077401150042424	2058006421704221				50.0000	0.00	1.00

BEVERLY SAUCH
SPECIAL ACCOUNT
1069 CHANNEL RD
HEWLETT PARKER N Y

11557

original confirmation missing

NET AMOUNT

50,444.70

SETTLEMENT DATE

03/05/74

Edwards & Hank
200 NORTH FRANKLIN STREET
HEMPSTEAD NEW YORK 11551
(212) 885 5800 (516) 516 4700

MEMBERS
NEW YORK STOCK EXCHANGE INC
AMERICAN STOCK EXCHANGE

YOU BOUGHT	DESCRIPTION	PRICE
X 400	GREEN INDUSTRIES INC CANCELLATION AS OF 02/22/74	13 3/4

TRADE DATE AND NO	YOUR ACCOUNT NO	REG REP	YOUR IRS NO	STATES	PRINCIPAL COMMISSION	STATE TAX	SEC FEE
0307740107800423424	2058006421704221				46.2000	1.00	1.00

MC LOUIS MATCHES
1585 CDELL ST
BROOKLYN N Y

10462

NET AMOUNT

4,444.00

SETTLEMENT DATE

03/05/74

WE PLEDGE THE ABOVE TRANSACTION SUBJECT TO THE TERMS AND CONDITIONS HEREIN AND THE SECURITIES ACT OF 1933 AND THE SECURITIES ACT OF 1934.

Edwards & Hank
200 NORTH FRANKLIN STREET
HEMPSTEAD NEW YORK 11551
(212) 885 5800 (516) 516 4700

MEMBERS
NEW YORK STOCK EXCHANGE INC
AMERICAN STOCK EXCHANGE

YOU BOUGHT	DESCRIPTION	PRICE
400	SUSQUEHANNA CORP	3 1/4

TRADE DATE AND NO	YOUR ACCOUNT NO	REG REP	YOUR IRS NO	STATES	PRINCIPAL COMMISSION	STATE TAX	SEC FEE
0307740002900423743	10616070350005214				120.000	0.00	1.00

MRS ELODY USLAN
CUST MARG USLAN
UNIF CFT MIN ACT N Y

ONLY COPY AVAILABLE

Edward & Hanly
200 NORTH FRANKLIN STREET
HEMPSTEAD, NEW YORK 11551
(516) 895 8000 (516) 895 4700

MEMBERS
NEW YORK STOCK EXCHANGE INC
AMERICAN STOCK EXCHANGE

YOUR BLUCHER 27222-10-6 DESCRIPTION
500 COGN INDUSTRIES INC
CANCELLATION AS OF 02/22/74

TRADE DATE AND NO	YOUR ACCOUNT NO	REG. REP.	YOUR IRS NO	COFFE
03/07/74	0108423029	2088005265756211		

PRINCIPAL
COMMISSION
STATE TAX
SEC FEE

700000

MRS ROSALYN J FAUCH
15 WEST 72 ST
NEW YORK N Y

10073

NET AMOUNT

SETTLEMENT DATE

03/05/74

BY CONFIRMING THE ABOVE TRANSACTION SUBJECT TO THE TERMS AND CONDITIONS HEREIN AND THE REVERSE SIDE HEREOF, YOU HEREBY AGREE TO HOLD EDWARD & HANLY, INC. HARMLESS.

ORIGINAL

Edward & Hanly
200 NORTH FRANKLIN STREET
HEMPSTEAD, NEW YORK 11551
(516) 895 8000 (516) 895 4700

MEMBERS
NEW YORK STOCK EXCHANGE INC
AMERICAN STOCK EXCHANGE

YOUR BLUCHER 27222-10-6 DESCRIPTION
500 COGN INDUSTRIES INC
CANCELLATION AS OF 02/22/74

TRADE DATE AND NO	YOUR ACCOUNT NO	REG. REP.	YOUR IRS NO	COFFE
03/07/74	0108423029	2088005265756211		

PRINCIPAL
COMMISSION
STATE TAX
SEC FEE

700000

ROSEN & BEATT
ATTN: COLLETT
10 EAST 40 ST
NEW YORK N Y

10016

IN ACCOUNT WITH
MRS ROSALYN J FAUCH

NET AMOUNT

SETTLEMENT DATE

03/05/74

BY CONFIRMING THE ABOVE TRANSACTION SUBJECT TO THE TERMS AND CONDITIONS HEREIN AND THE REVERSE SIDE HEREOF, YOU HEREBY AGREE TO HOLD EDWARD & HANLY, INC. HARMLESS.

X DUPLICATE

Edward & Hanly
200 NORTH FRANKLIN STREET
HEMPSTEAD, NEW YORK 11551
(516) 895 8000 (516) 895 4700

MEMBERS
NEW YORK STOCK EXCHANGE INC
AMERICAN STOCK EXCHANGE

YOUR BLUCHER 27222-10-6 DESCRIPTION
500 COGN INDUSTRIES INC
CANCELLATION AS OF 02/22/74

TRADE DATE AND NO	YOUR ACCOUNT NO	REG. REP.	YOUR IRS NO	COFFE
03/07/74	0108423021	208800100371664321		

PRINCIPAL
COMMISSION
STATE TAX
SEC FEE

575000

MR JAMES MCNAUL
15 WEST 18 ST
JULIENHARTEN N Y

NET AMOUNT

SETTLEMENT DATE

03/05/74

BY CONFIRMING THE ABOVE TRANSACTION SUBJECT TO THE TERMS AND CONDITIONS HEREIN AND THE REVERSE SIDE HEREOF, YOU HEREBY AGREE TO HOLD EDWARD & HANLY, INC. HARMLESS.

Edward & Hanly

MEMBERS
NEW YORK STOCK EXCHANGE INC

TRADE DATE AND NO. YOUR ACCOUNT NO. REG. REP. YOUR IRS NO. PAGES
 03047-01022-00422223 100000734000-5111

PRINCIPAL
 COMMISSION
 STATE TAX
 SEC. FEE

MR. HERBERT S. IDE
 1045 CHANNEL DR
 NEWLETT PARK N.Y.

11556

Edward & Hank

200 NORTH FRANKLIN STREET
 HEMPSTEAD, NEW YORK 11551
 (516) 805-8800 (516) 810-4700

MEMBERS
 NEW YORK STOCK EXCHANGE INC.
 AMERICAN STOCK EXCHANGE

YOUR TICKET 272225-10-2 DESCRIPTION

X 100 CLEN INDUSTRIES INC
 CANCELLATION AS OF 02/22/74

TRADE DATE AND NO. YOUR ACCOUNT NO. REG. REP. YOUR IRS NO. PAGES
 03047-01152-00422297 1000007050530221

PRINCIPAL
 COMMISSION
 STATE TAX
 SEC. FEE

MR. HERBERT S. IDE
 1045 CHANNEL DR
 NEWLETT PARK N.Y.

11557

original confirmation missing

NET AMOUNT

SETTLEMENT DATE 03/05/74

Edward & Hank

200 NORTH FRANKLIN STREET
 HEMPSTEAD, NEW YORK 11551
 (516) 805-8800 (516) 810-4700

MEMBERS
 NEW YORK STOCK EXCHANGE INC.
 AMERICAN STOCK EXCHANGE

YOUR TICKET 272225-10-2 DESCRIPTION

X 100 CLEN INDUSTRIES INC
 CANCELLATION AS OF 02/22/74

TRADE DATE AND NO. YOUR ACCOUNT NO. REG. REP. YOUR IRS NO. PAGES
 03047-01097-00422298 1000007050530211

PRINCIPAL
 COMMISSION
 STATE TAX
 SEC. FEE

MR. HERBERT S. IDE
 1045 CHANNEL DR
 NEWLETT PARK N.Y.

11557

NET AMOUNT

SETTLEMENT DATE 03/05/74

Edward & Hank

200 NORTH FRANKLIN STREET
 HEMPSTEAD, NEW YORK 11551
 (516) 805-8800 (516) 810-4700

MEMBERS
 NEW YORK STOCK EXCHANGE INC.
 AMERICAN STOCK EXCHANGE

YOUR TICKET 272225-10-2 DESCRIPTION

X 100 CLEN INDUSTRIES INC
 CANCELLATION AS OF 02/22/74

TRADE DATE AND NO. YOUR ACCOUNT NO. REG. REP. YOUR IRS NO. PAGES
 03047-01097-00422298 1000007050530211

PRINCIPAL
 COMMISSION

ROSEN & BARR
311 E. 40th ST
NEW YORK N.Y.

10016

IN ACCOUNT WITH -
MRS. ROSALYN J. BAUCH

NET AMOUNT

5,000.00

SETTLEMENT DATE

03/05/74

WE CONFIRM THE ABOVE TRANSACTION SUBJECT TO THE TERMS AND CONDITIONS HEREON AND THE RELEASE OF THE SEC. FROM ALL LIABILITY FOR THE SAME.

DUPLICATE

Edwards & Hank
200 NORTH FRANKLIN STREET
HEMPSTEAD NEW YORK 11551
(212) 895 8600 (516) 518 4700

MEMBERS
NEW YORK STOCK EXCHANGE INC
AMERICAN STOCK EXCHANGE

YOUR ACCOUNT NO. 372727-10-8
400 JOHN INDUSTRIES INC
CANCELLATION AS OF 02/22/74

DESCRIPTION

PRICE

14 3/4

TRADE DATE AND NO	YOUR ACCOUNT NO	REG. REP.	YOUR IRS NO	COMES
030770108	00423051	20880	100341684	221

PRINCIPAL
COMMISSION
STATE TAX
SEC FEE

5,000.00
112.1
1.00
12

MR. JAMES MCNAFF
24 WOODS LANE
SOUTHAMPTON N.Y.

NET AMOUNT

5,000.00

SETTLEMENT DATE

03/05/74

WE CONFIRM THE ABOVE TRANSACTION SUBJECT TO THE TERMS AND CONDITIONS HEREON AND THE RELEASE OF THE SEC. FROM ALL LIABILITY FOR THE SAME.

Edwards & Hank
200 NORTH FRANKLIN STREET
HEMPSTEAD NEW YORK 11551
(212) 895 8600 (516) 518 4700

MEMBERS
NEW YORK STOCK EXCHANGE INC
AMERICAN STOCK EXCHANGE

YOUR ACCOUNT NO. 124127-10-8
100 PUTTES GAS & OIL CO

DESCRIPTION

PRICE

27 3/4

TRADE DATE AND NO	YOUR ACCOUNT NO	REG. REP.	YOUR IRS NO	COMES
030470109	00423240	20880	100341684	214

PRINCIPAL
COMMISSION
STATE TAX
SEC FEE

2,722.00
112.1
1.00
12

MRS. SANDRA F. SPIEGEL
525 NEPTUNE AVE
BROOKLYN N.Y.

NET AMOUNT

2,722.00

SETTLEMENT DATE

03/11/74

WE CONFIRM THE ABOVE TRANSACTION SUBJECT TO THE TERMS AND CONDITIONS HEREON AND THE RELEASE OF THE SEC. FROM ALL LIABILITY FOR THE SAME.

Edwards & Hank
200 NORTH FRANKLIN STREET
HEMPSTEAD NEW YORK 11551
(212) 895 8600 (516) 518 4700

MEMBERS
NEW YORK STOCK EXCHANGE INC
AMERICAN STOCK EXCHANGE

YOUR ACCOUNT NO. 124127-10-8
400 PUTTES GAS & OIL CO

DESCRIPTION

PRICE

27 1/2

TRADE DATE AND NO	YOUR ACCOUNT NO	REG. REP.	YOUR IRS NO	COMES
030470109	00423240	20880	100341684	214

PRINCIPAL
COMMISSION
STATE TAX
SEC FEE

2,200.00
201.00
1.00
12

MRS. SANDRA F. SPIEGEL
525 NEPTUNE AVE
BROOKLYN N.Y.

TRADE DATE AND NO YOUR ACCOUNT NO ISS. REP YOUR IRS NO
7277 31098222305523 10006

PRINCE	55300
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GREEN INDUSTRIES INC
ATTN: BOB SKY
1 WHITEHALL
HOLD HOLD

NET AMOUNT 5,600.00

SETTLEMENT DATE 03/01/76

Edwards & Hanft
200 NINTH FRANKLIN STREET
HEMPSTEAD NEW YORK 11011
(212) 685-5600 FAX (212) 685-4700

MEMBERS
NEW YORK STOCK EXCHANGE INC
AMERICAN STOCK EXCHANGE

QUANTITY	DESCRIPTION	PRICE
100	CLON INDUSTRIES INC	1.175

TRADE DATE AND NO	YOUR ACCOUNT NO	PAGE REF	YOUR IRS NO
1/27/80 102	10000		

201451231-1-161240

CECON INDUSTRIES INC
ATTN: HOSKINS
1 WHITEHALL
HOLD HOLD

1987

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 832. 833. 834. 835. 836. 837. 838. 839. 840. 84

X
 200 NEW YORK PRISON & ...
 MEMPHIS TENN ...
 100 ...

附註：(一) 本表係根據「中華民國七十七年人口統計」資料編製。
 (二) 本表係根據「中華民國七十七年人口統計」資料編製。

| YOU | DESCRIPTION | PRICE |
|------|-------------|-------|
| 1993 | 1993 | 1993 |

TRADE DATE AND NO. FILE AUTOMATIC NO. REC. REF. 1-18-61

147533

GFCN INDUSTRIES INC
ATTN: HENRY
1 WESTHALL
BOSTON, MASS

Cancellation Attached

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

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 Selling YOUR STORE FOR THE MOST PROFITABLE
 AMERICAN STORE DEALERSHIP

1000 ALUMINUM CORPORATION 11 3/4

TRADE DATE AND NO. OF THE INSTANT NO. OF THE INST. FOR THE INST. NO.

[illegible]

ADMIRAL CORP ROCKWELL INTL
MILITARY
1 WHITEHALL
FOLD FOLD

... ..

017 1887 241 017 01 176

Edward & Hank

NEW YORK STOCK EXCHANGE AND
AMERICAN SECURITIES EXCHANGE

2025 RELEASE UNDER E.O. 14176

TRADE DATE AND NO YOUR ACCOUNT NO REG REP YOUR IRS NO
0307740113301-01994 20000 120

PRINCIPAL
STATE TAX
000 000

1975
000

ALL AMERICAN LIFE U S LIFE
ATT: J. ROESKY
1 WHITEHALL
1100 HOLL

NET AMOUNT

SETTLEMENT DATE

WE CONFIRM THE ABOVE TRANSACTION SUBJECT TO THE TERMS AND CONDITIONS HEREIN AND THE RECEIPT OF THE OTHER PARTY

Edward & Hanly
200 NORTH FRANKLIN STREET
HEMPSTEAD NEW YORK 11551
(212) 885 9800 (516) 538 4700

MEMBERS
NEW YORK STOCK EXCHANGE INC
AMERICAN STOCK EXCHANGE

AN AMERICAN STOCK EXCHANGE COMPANY
INCORPORATED IN NEW YORK
110 N. WALL ST. NEW YORK, N.Y. 10038
NEW YORK STOCK EXCHANGE INC
110 N. WALL ST. NEW YORK, N.Y. 10038

| YOU | DESCRIPTION | PRICE |
|--------------------------|---|--------|
| 0307740113301-01994-10-8 | 1000 KEEN INDUSTRIES INC
CANCELLATION AS OF 02/22/74 | 16 1/4 |

TRADE DATE AND NO YOUR ACCOUNT NO REG REP YOUR IRS NO
03077400-0502205922 20000 214

PRINCIPAL

17770

KEEN INDUSTRIES INC
ATT: J. ROESKY
1 WHITEHALL
1100 HOLL

NET AMOUNT

SETTLEMENT DATE

WE CONFIRM THE ABOVE TRANSACTION SUBJECT TO THE TERMS AND CONDITIONS HEREIN AND THE RECEIPT OF THE OTHER PARTY

Edward & Hanly
200 NORTH FRANKLIN STREET
HEMPSTEAD NEW YORK 11551
(212) 885 9800 (516) 538 4700

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AMERICAN STOCK EXCHANGE

AN AMERICAN STOCK EXCHANGE COMPANY
INCORPORATED IN NEW YORK
110 N. WALL ST. NEW YORK, N.Y. 10038
NEW YORK STOCK EXCHANGE INC
110 N. WALL ST. NEW YORK, N.Y. 10038

| YOU | DESCRIPTION | PRICE |
|--------------------------|-------------------------------------|--------|
| 03077400-0502205922-10-8 | 1000 INEXCO NORTHERN EXPLORATION CO | 16 1/4 |

TRADE DATE AND NO YOUR ACCOUNT NO REG REP YOUR IRS NO
030774006602205951 10000 511

PRINCIPAL

17770

INEXCO NORTHERN EXPLORATION
INEXCO OIL
ATT: J. ROESKY
1 WHITEHALL
1100 HOLL

NET AMOUNT

SETTLEMENT DATE

WE CONFIRM THE ABOVE TRANSACTION SUBJECT TO THE TERMS AND CONDITIONS HEREIN AND THE RECEIPT OF THE OTHER PARTY

Edward & Hanly
200 NORTH FRANKLIN STREET
HEMPSTEAD NEW YORK 11551
(212) 885 9800 (516) 538 4700

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AMERICAN STOCK EXCHANGE

AN AMERICAN STOCK EXCHANGE COMPANY
INCORPORATED IN NEW YORK
110 N. WALL ST. NEW YORK, N.Y. 10038
NEW YORK STOCK EXCHANGE INC
110 N. WALL ST. NEW YORK, N.Y. 10038

| YOU | DESCRIPTION | PRICE |
|-------------------------|------------------------------------|--------|
| 030774006602205951-10-8 | 1000 OXFORD LARS
AS OF 02/22/74 | 16 1/4 |

TRADE DATE AND NO YOUR ACCOUNT NO REG REP YOUR IRS NO

PRINCIPAL

17770

STATEMENT OF

4 30 76 STEWARDS & HANLEY
FATHER & WIFE PHOP A/C
200 N FRANKLIN ST
MOLD MD 21551

IN ACCOUNT WITH

023 00500 0000

YOUR ACCOUNT NO. R.R.
 _____ TYPE OF ACCOUNT

| | |
|-------|-------------------------|
| 1. 姓名 | 1. OFFICIAL OR BUSINESS |
| 2. 性别 | 2. GENDER |
| 3. 年龄 | 3. AGE |
| 4. 职业 | 4. OCCUPATION |
| 5. 住址 | 5. ADDRESS |
| 6. 电话 | 6. TELEPHONE |
| 7. 其他 | 7. OTHER |

DETAILS
BEFORE
MAKING

ONLY COPY AVAILABLE

U.S. GOVERNMENT PRINTING OFFICE: 1975 O - 270-100

| DATE | | DESCRIPTION | QUANTITY | UNIT | AMOUNT | CREDIT | LAST AMT IN BALANCE
IS BALANCE OF CREDIT
OR DEBIT | COMMISSION | REGISTRATION |
|------|-----|---------------------|----------|------|---------|--------|---|------------|--------------|
| 1/29 | | BALANCE | | | | | | | |
| 4/01 | 100 | REINHEM STEEL | 32 5/8 | | 3262 50 | | 1394 09CR | | |
| 4/01 | 100 | AS OF 03/25/74 | | | | | | | |
| 4/01 | 100 | MC DONALD'S CORP | 55 | | 5500 00 | | | | |
| 4/01 | 25 | AS OF 03/25/74 | | | | | | | |
| 4/01 | 25 | TRANSAMERICA CORP | 9 5/8 | | | 239 99 | | | |
| 4/02 | 100 | GEON INDUSTRIES INC | 14 1/8 | | 1412 50 | | 7128 42* | | |
| 4/02 | 100 | AS OF 02/22/74 | | | | | | | |
| 4/02 | 100 | GEON INDUSTRIES INC | 14 1/8 | | 1412 50 | | | | |
| 4/02 | 100 | AS OF 02/22/74 | | | | | | | |
| 4/02 | 100 | GEON INDUSTRIES INC | 14 1/8 | | 1412 50 | | | | |
| 4/02 | 300 | AS OF 02/22/74 | | | | | | | |
| 4/02 | 300 | GEON INDUSTRIES INC | 13 3/4 | | 4125 00 | | | | |
| 4/02 | 500 | AS OF 02/22/74 | | | | | | | |
| 4/02 | 500 | GEON INDUSTRIES INC | 14 3/8 | | 7187 50 | | | | |
| 4/02 | 100 | AS OF 02/22/74 | | | | | | | |
| 4/02 | 100 | GEON INDUSTRIES INC | 14 | | 1400 00 | | | | |
| 4/02 | 200 | AS OF 02/22/74 | | | | | | | |
| 4/02 | 200 | GEON INDUSTRIES INC | 14 | | 2800 00 | | | | |
| 4/02 | 500 | AS OF 02/22/74 | | | | | | | |
| 4/02 | 500 | GEON INDUSTRIES INC | 14 | | 7000 00 | | | | |
| 4/02 | 400 | AS OF 02/22/74 | | | | | | | |
| 4/02 | 400 | GEON INDUSTRIES INC | 13 5/8 | | 5450 00 | | | | |
| 4/02 | 200 | AS OF 02/22/74 | | | | | | | |
| 4/02 | 200 | GEON INDUSTRIES INC | 14 1/8 | | 2825 00 | | | | |
| 4/02 | 100 | AS OF 02/22/74 | | | | | | | |
| 4/02 | 100 | GEON INDUSTRIES INC | 14 | | 1400 00 | | | | |
| 4/02 | 100 | AS OF 02/22/74 | | | | | | | |
| 4/02 | 100 | GEON INDUSTRIES INC | 14 1/8 | | 1412 50 | | | | |
| 4/02 | 300 | AS OF 02/22/74 | | | | | | | |
| 4/02 | 300 | GEON INDUSTRIES INC | 14 | | 4200 00 | | | | |
| 4/02 | | AS OF 02/22/74 | | | | | | | |

[illegible]

한국의 경제 발전에 있어서는 무엇보다도 인적 자원의 개발이 중요하며, 이는 교육과 훈련을 통해 이루어진다. 특히, 기술 인력의 양성은 국가 경쟁력의 핵심 요소이다. 정부는 교육 예산을 지속적으로 늘리고, 직업 교육과 훈련 프로그램을 강화하고 있다. 또한, 기업과 교육 기관 간의 협력을 촉진하여 실용적인 기술을 습득할 수 있도록 하고 있다. 이러한 노력은 장기적으로 한국의 경제 성장을 견인할 것으로 기대된다.

[illegible]

STATEMENT OF

4 30 74 EDWARDS & HANLY
ORDER & WIPE ERROR A/C
200 N FRANKLIN ST
HOLD HOLD 11551

1994年12月25日

023 00900 00700

1. 2000年1月1日起，凡在我国境内销售货物的单位和个人，均应按销售额的一定比例缴纳增值税。

| | |
|---------|---|
| 1. 项目背景 | 项目背景、项目目标、项目范围、项目组织、项目计划、项目资源、项目风险、项目沟通、项目监控、项目收尾 |
| 2. 项目组织 | 项目组织、项目团队、项目成员、项目角色、项目职责、项目权限、项目责任、项目义务、项目权利、项目利益 |
| 3. 项目计划 | 项目计划、项目进度、项目时间、项目成本、项目质量、项目风险、项目沟通、项目监控、项目收尾 |
| 4. 项目资源 | 项目资源、项目人力、项目物力、项目财力、项目技术、项目信息、项目知识、项目经验、项目技能、项目素质 |
| 5. 项目风险 | 项目风险、项目识别、项目评估、项目应对、项目监控、项目报告、项目沟通、项目协调、项目合作、项目共赢 |
| 6. 项目沟通 | 项目沟通、项目沟通计划、项目沟通工具、项目沟通渠道、项目沟通内容、项目沟通方式、项目沟通效果、项目沟通评价 |
| 7. 项目监控 | 项目监控、项目监控计划、项目监控工具、项目监控渠道、项目监控内容、项目监控方式、项目监控效果、项目监控评价 |
| 8. 项目收尾 | 项目收尾、项目收尾计划、项目收尾工具、项目收尾渠道、项目收尾内容、项目收尾方式、项目收尾效果、项目收尾评价 |

DETACH
BEFORE
MAILING

[illegible]

DATE _____

2174 2

160a

STATEMENT OF

4 38 74 VICTORIA & HANLEY
 ORDER & WING ERROR A/C
 200 N FRANKLIN ST
 HOLD HOLD 11551

023 00500 0000

DETACH
 BEFORE
 MAILING

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PLEASE PRINT YOUR STATEMENT FOR INCOME TAX PURPOSES

| DATE | LONG | SHORT | SECURITY POSITIONS | PRICE | QUANTITY | AMOUNT | COMMISSION | REGISTRATION |
|------|-------|-------|--------------------------------------|--------|----------|---------|------------|--------------|
| 4/18 | | 300 | F M SCHAEFER CORP
AS OF 04/08/74 | 5 1/4 | | 1567 46 | 1 | |
| 4/18 | 100 | | MASCO CORP | 39 | 3900 00 | | 48532 93* | 1 |
| 4/18 | | 100 | MASCO CORP | 39 | | 3894 92 | 48538 01* | 1 |
| 4/19 | | | TO ADJ A/C RE 50 SOLD 2 19
17 3/8 | JRL | 18 75 | | 48556 76* | 1 |
| 4/22 | | | TO MAR P & L | JRL | 4945 59 | | | 1 |
| 4/22 | 300 | | RYDER SYSTEM INC
AS OF 04/15/74 | 20 | 6000 00 | | 61080 35* | 1 |
| 4/22 | 300 | | F M SCHAEFER CORP | 5 1/4 | 1575 00 | | 54870 48* | 1 |
| 4/22 | | 300 | RYDER SYSTEM INC | 20 3/4 | | 6209 87 | 54882 98* | 1 |
| 4/22 | | | ADJ IN PRICE 100 PH 4 22
4 1/4 | JRL | 12 90 | | 56482 98* | 1 |
| 4/22 | 100 | | BLACK & DECKER MFG
AS OF 04/17/74 | 34 | 3400 00 | | | 1 |
| | LONG | SHORT | SECURITY POSITIONS | | | | | |
| | 100 | | BLACK & DECKER MFG | 34 | | | | 1 |
| | 3000 | | GEOM INDUSTRIES INC | 34 | | | | 1 |
| | 11600 | | HEALTH DELIVERY SYSTEMS INC | 34 | | | | 1 |

STATEMENT OF

4 37 74 FIRM ERROR ACCOUNT 2
 ATT ARTHUR FOSTE
 200 N FRANKLIN ST
 HOLD HOLD

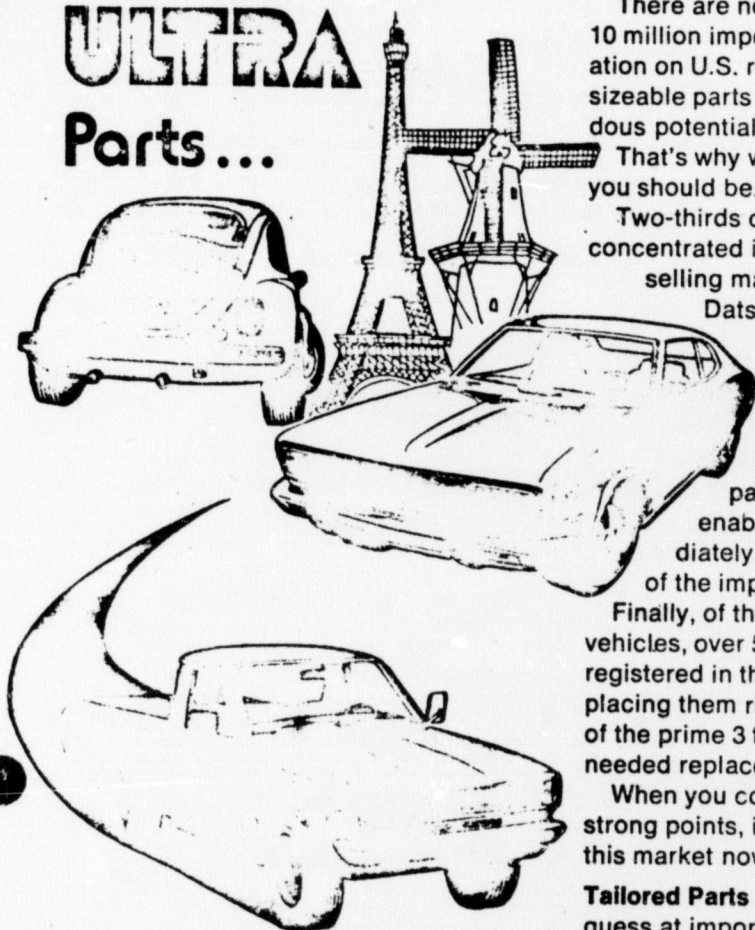
023 00501 0000

DETACH
 BEFORE
 MAILING

PLEASE PRINT YOUR STATEMENT FOR INCOME TAX PURPOSES

COMMISSION REGISTRATION

Here's Your Market For ULTRA Parts...



Now Ultra[®] Imported Car Parts can help you capture the rapidly expanding imported car parts market, with minimum investment and risk.

There are now more than 10 million imported cars in operation on U.S. roads today,* a sizeable parts market of tremendous potential.

That's why we're here and why you should be.

Two-thirds of this market is concentrated in the three top selling makes, Volkswagen, Datsun, and Toyota.

Ultra provides comprehensive coverage for these (as well as the most popular parts for all others), enabling you to immediately cover the majority of the import market.

Finally, of these 10 million-plus vehicles, over 50% have been registered in the last 4 years, placing them right in the middle of the prime 3 to 5 year cycle for needed replacement parts.

When you consider these strong points, it's wise to get into this market now.

Tailored Parts Stocks . . . Why guess at import parts ordering? Ultra does the work for you with tailored WD/Jobber stocks that provide the needed coverage.

Liberal Obsolescence Programs . . . The Ultra program eliminates the risk of handling import parts, with liberal obsolescence programs consistent with the domestic lines you now handle. Minimum risk . . . maximum profit opportunities.

Immediate Availability . . . Two extensive, modern warehouses, one in Woodbury, New York, the other in Compton, California, assure that orders will be shipped immediately. Parts shortages are the biggest problem facing the import parts market. Ultra minimizes this problem for you.

90% From Foreign O.E.M.

Sources . . . You sell accepted, top quality parts, most of them from the leading foreign parts suppliers who are tops in their field. Even the original packaging is retained, guaranteeing original equipment quality.

Competitive Pricing . . . Ultra Imported Car Parts are priced right with domestic U.S. replacement parts, and are backed with the same WD/Jobber discount schedules and profit margins that you're accustomed to from Holley. Immediate availability—at the right price—means **you** get the business in your area.

Over 50% Registered in Last 4 Years

1969-72 58%

42%
Pre-1969

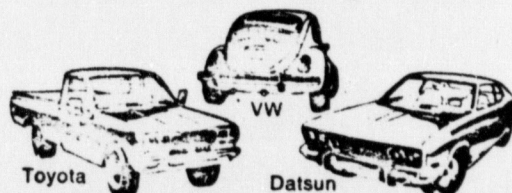
The bulk of imported vehicles in the U.S. today are at least four years old, making them prime candidates for replacement parts.

Over 10 Million Imports Registered in the U.S. Today

| | |
|--------|-----------|
| VW | 4,809,270 |
| Toyota | 1,126,855 |
| Datsun | 752,926 |
| Others | 3,692,594 |

*Registrations through July, 1973.
Source: AUTOMOTIVE NEWS 8/13/73

2/3 Are Concentrated In Three Top Selling Makes



The import car field offers you a highly concentrated, easy-to-reach parts market which can be entered with minimum inventory for maximum return.

® Registered Trademark

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Holley Carburetor Division

Broad Coverage For VW, Toyota, Datsun and Other Leading Makes



The Ultra Imported Car Parts line is one of the broadest in the industry. Thousands of part numbers for Volkswagen, Datsun and Toyota—the three top selling makes in the U.S.—plus the fastest moving coverage for dozens of other makes as well . . . from the Capri to the Alfa Romeo.

You sell quality, name brand parts, 90% from O.E.M. suppliers, covering practically all vehicle systems required to service over 10 million cars and trucks in the market.

ACCESSORIES

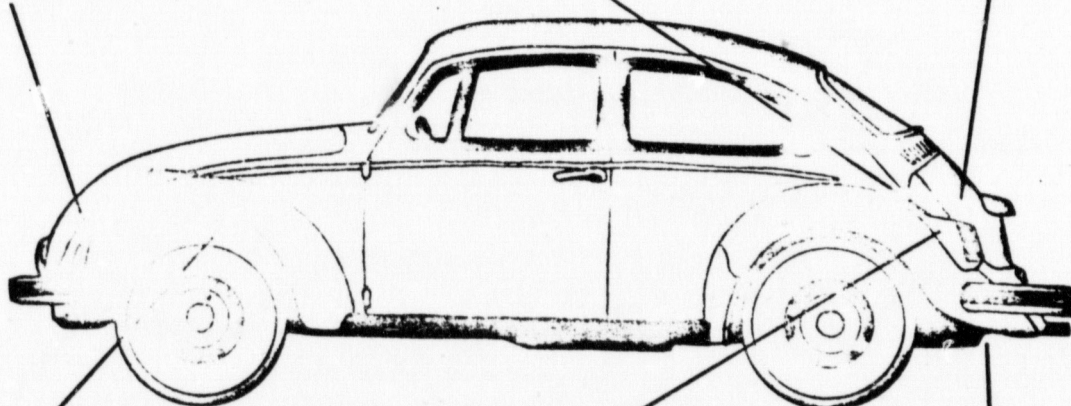
Just as in the domestic market, Ultra helps you profit from accessories and impulse items. Specialty air cleaners, driving lights, bumper guards, auto book manuals and Weber conversion kits round out the ultimate imported car parts line.

FUEL SYSTEMS

Whether you need a fuel pump for a VW, a carburetor for a Datsun or a fuel filter for a Toyota, the Ultra line has it all and plenty more.

ENGINE PARTS

Top line replacement parts, including engine bearings, valves, gaskets, pistons, rings and other items for a minor engine repair or major rebuild.



SUSPENSION PARTS

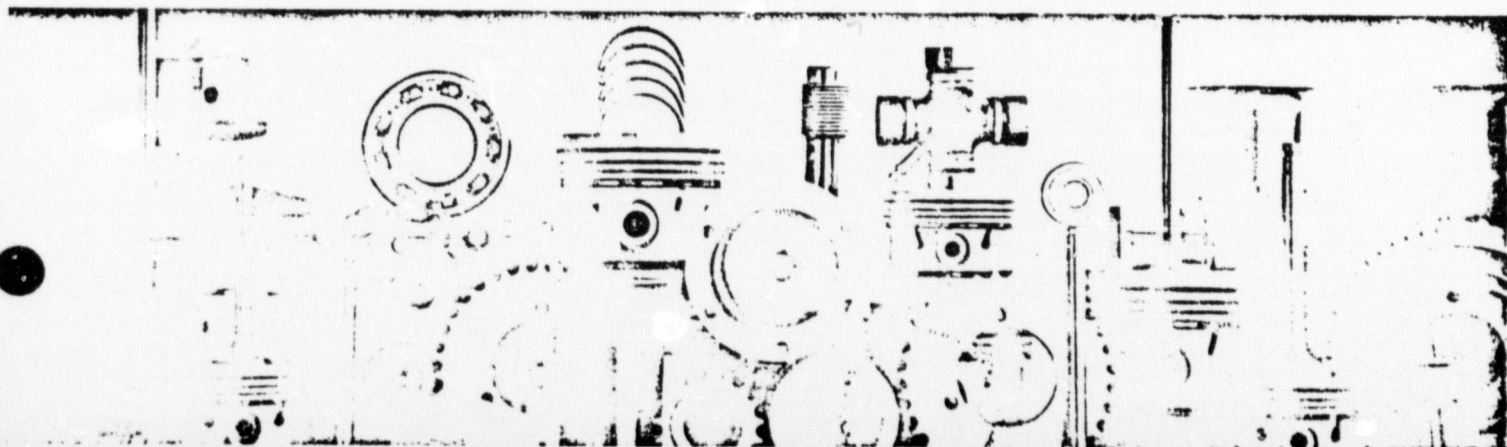
Front-end hardware, shocks, and brake parts . . . a complete package to sell the suspension and brake market for imports.

ELECTRICAL

Ultra's ignition and electrical parts assortments cover practically everything needed to sell the market . . . again, from top manufacturers in the import field.

EXHAUST SYSTEMS

Complete muffler, tailpipe and headpipe stocks for imports. Order the same as domestic exhaust systems from illustrated Ultra catalogs.



How Ultra will support you...

The Ultra Imported Car Parts line is marketed with the professional know-how and sales experience of Holley. We help you sell Ultra parts now, and generate return sales for the future.

● Comprehensive Advertising and Sales Promotion Programs

... designed to create market awareness at all levels. Hard-hitting, colorful ads in leading automotive publications are pre-selling the market for you.

● National Sales Organization

... Experienced Holley salesmen, with solid aftermarket marketing knowledge, make it possible for you to reap profits from import parts, right along with the Holley line.

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

JUN 18 1974

● **Complete Cataloging By Car Make** ... Easy-to-find-it parts cataloging arranged by car make. You find what you need fast, and make the sale.

● Point-Of-Sale Materials

On-target promotion at the store level with banners, window signs and graphically designed, hanging mobiles.

● Major Trade Show Exposure

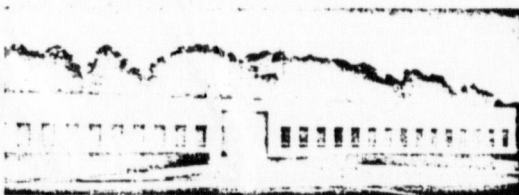
... All the big shows covered with Holley's striking display booths, sales personnel and supporting literature.

● East and West Coast Warehousing

... Strategically located, fully stocked warehouses provide immediate service on all orders, large or small.

● Proven Import Parts Experience

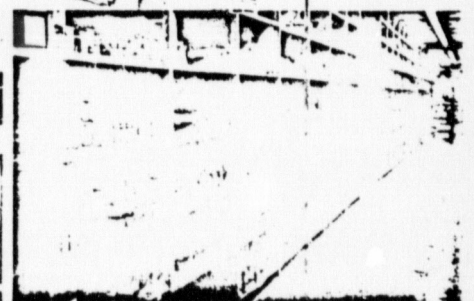
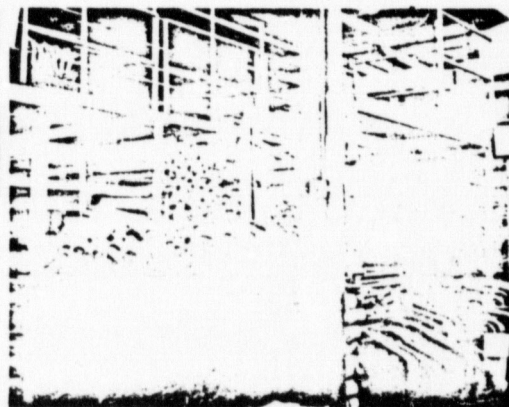
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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

-against- :

GEON INDUSTRIES, INC., et al., :

Defendants. :

AFFIDAVIT

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STATE OF NEW YORK)

: ss.:

COUNTY OF NEW YORK)

RANDY GROMET, being duly sworn, deposes and says:

I am a Senior Listing Representative of the American Stock Exchange. Attached hereto is a true copy of a memorandum I prepared which accurately reflects communications I had with representatives of Geon Industries, Inc. on February 22, 1974.

Randy Gromet

Sworn to before me this

day of April, 1974.

Notary Public

B

American Stock Exchange Inc.

JAN 24 1974

To: The files

Date: February 23, 1974

From: Randy Gromet

Securities Division

Subject: Geon Industries, Inc.

At approximately 10:00 a.m. on February 22, 1974, I received a call on my direct phone line to the trading floor from Mr. David Scott Foster, Jr., Floor Official, who advised me that there were about 10,000 to 11,000 shares for sale at the opening in the Common Stock of Geon Industries, Inc. Mr. Foster requested that, in view of the substantial number of shares for sale that I call the Company to find out if there was anything pending at Geon which could account for the activity including any change in the current status of the Company's previously announced merger with Burmah Oil. I indicated to Mr. Foster that I only needed a few minutes to check with the Company and it was agreed that although no official announcement would be made, Geon stock would not open until I called Mr. Foster back and advised him of my findings from my conversation with the Company.

I immediately called Geon Industries and asked for Mr. Frank Bloom, Secretary and Treasurer, who has been my primary contact at the Company. I was thereafter advised by a woman who I believed to be Mr. Bloom's secretary that Mr. Bloom was not at his desk at the moment but would be returning shortly. I asked if he could be reached at this time or if she knew where he might be. The secretary asked me to hold on for a moment while she checked to see if she could find him. In any event, several minutes transpired at which time I was advised that Mr. Bloom had just returned to his office. Mr. Bloom picked up the telephone and I advised Mr. Bloom that there was a substantial amount of sell orders at the opening in Geon and that these sell orders totaled approximately 10,000 to 11,000 shares. I asked Mr. Bloom if there had been any developments at the Company which could account for the activity or if anything was pending in regard to the Company's proposed merger with Burmah Oil. Mr. Bloom said that the status of the merger remained unchanged and that there was nothing pending at the Company. Mr. Bloom advised that the Company and Burmah

continued to work toward the execution of a definitive merger agreement. Further, Mr. Bloom advised that while the Company has experienced problems in the past, which he feels normally occur in merger discussions, nothing major had occurred between the two companies. While Mr. Bloom was saying this, I obtained my recent unusual market situation sheet of Geon Industries which contained the announcement on the Dow Jones tape of the agreement in principal to merge with Burmah in order to refresh my memory. I then noted to Mr. Bloom that the agreement in principal with Burmah Oil was announced on December 20, 1973 and that a protracted period of time had elapsed since the announcement and that it appeared that execution of a definitive agreement was taking more than the normal amount of time. Mr. Bloom responded that the Company had reached its original agreement in principal with Burmah in a very short amount of time and that it's one thing when everybody is talking and happy "over a martini", and another thing when you start to do all the necessary work to reach a definitive merger agreement. Mr. Bloom reiterated that the Company and Burmah were working toward a definitive contract and that they were both reviewing each other very thoroughly. I then asked Mr. Bloom whether there were any material developments at the Company or whether anything occurred between Geon and Burmah which would lead him to believe that the merger could be called off or that the merger could be in jeopardy. Mr. Bloom did not hesitate and responded "no". I then said to Mr. Bloom that I want to be sure that there was nothing pending at the Company because the Exchange would not want to permit the stock to open, have it trade and then have any kind of an announcement from Geon. Mr. Bloom again assured me that there was nothing pending at Geon and that the Company did not have anything to announce. In response to my inquiry of when Mr. Bloom thought the Company would be able to announce that it had executed a definitive agreement, Mr. Bloom indicated maybe in a few days, maybe next week or maybe the week after. In any event, Mr. Bloom assured me that he would keep me fully advised of all corporate developments.

American Stock Exchange Inc.

Mr. Scott Foster was then advised that the Company had, in response to the Exchange's inquiry, stated that there were no corporate developments to account for the market activity, that the Company did not anticipate making any announcements and that there was no change in the status of the proposed transaction with Burmah Oil.

After being advised at approximately 11:15 a.m. that Counsel to Geon was on the telephone with Art Lee, I attended the conversation in Mr. Lee's office. Listening to Mr. Lee's comments, I concluded that the Company's year end earnings appeared preliminarily to be unfavorable and that as a result the proposed merger may be adversely affected. My perceptions were confirmed when Art Lee interrupted his conversation briefly to apprise me of the problem and we both immediately concurred that trading should be halted pending an announcement. I immediately called Mr. Scott Foster and advised him of the above. Trading was halted at 11:19 a.m. I returned to Art Lee's office and overheard the remainder of the conversation.

cc. Steven L. Gerard

MINUTES OF SPECIAL MEETING
OF
BOARD OF DIRECTORS
OF
GEON INDUSTRIES, INC.

A special meeting of the Board of Directors of Geon Industries, Inc. was held on February 21, 1974 at 3:35 P.M. at the offices of Kaye, Scholer, Fierman, Hays & Handler, 425 Park Avenue, New York, New York.

There were present:

George O. Neuwirth
Peter H. Neuwirth
Otto Hays
Robert Barbanell
Russell H. Morrison, Jr.

constituting a majority of the directors and a quorum. Also present by invitation were Frank Bloom, Vice President and Secretary-Treasurer of the Company, and John A. Friedman, Esq. and Lewis J. Korman, Esq.

Mr. George O. Neuwirth acted as Chairman of the meeting and Mr. Bloom acted as Secretary.

The meeting was convened upon the arrival of Mr. Barbanell, and Messrs. Peter H. Neuwirth and Bloom were requested to repeat the information they had reported to those present during the period preceding the convening of the meeting. They stated that while the financial data presently available to the Company had not reached the stage at which an unaudited compilation would be prepared, they had asked the Company's accounting staff that morning to prepare a rough compilation based upon the available data. They stated that

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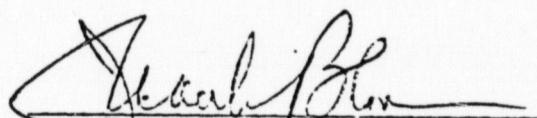
they had received the compilation shortly before they left for New York and that it indicated gross and pre-tax profits approximately \$800,000-\$900,000 below those anticipated, and below the level which was proposed to be included as a condition in the agreement to be executed by the Company with Burmah Oil Incorporated.

In response to questioning, Messrs. Peter H. Neuwirth and Bloom indicated that they were unaware of any factor in the Company's business which would account for gross profits substantially below historical levels and that they believed it likely that the compilation was erroneous. It was also indicated that the compilation had been prepared hastily, without any opportunity of checking the steps in its preparation, the necessary elimination entries or the accuracy of the data used.

The directors continued to question Messrs. Peter H. Neuwirth and Bloom extensively concerning the preparation of the compilation, business factors which could have a bearing on gross profits, possible areas of error in preparation of the compilation and steps which could be taken to obtain more accurate information.

Based upon the responses and the subsequent discussion among the directors, the Board determined that in view of the dubious validity of the information available, representatives of Burmah should not be contacted until more reliable information could be obtained. In the light of Burmah's expectation that a definitive agreement would be executed during the

following week, the Board instructed Mr. Bloom to obtain reliable information as to the Company's 1973 earnings level by Sunday night. In view of the unreliability of the information presently on hand, the Board also determined that no press release should be issued and the strictest confidence should be maintained until Mr. Bloom's report on Sunday at which time the matter would be reviewed in the light of the information then available. The directors also determined to defer consideration of the specific provisions of the agreement with Burmah until that time. The directors then agreed to meet at 7:00 P.M. on Sunday, February 24, 1974 at the Waldorf-Astoria, New York, New York. The meeting was adjourned at 5:45 P.M.


Frank Bloom
Secretary

December 18, 1973 - as dictated to Dow Jones. John Larkin indicated this release ran on the tape in substantially the same form and at 1:50 P.M.

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Press
Release

Geon Industries, Inc. (AMEX) which announced on December 2, 1973 that it was engaged in preliminary negotiations looking to the possible acquisition of Geon by a subsidiary of The Burmah Oil Company Ltd. said today that in response to inquiries that its negotiations with Burmah are continuing. Geon said that it expected to make a further announcement based upon developments in the negotiations probably by the end of the week.

on 12/18/73

7